



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

Reports and financial statements
for the year ended 31 December 2023

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Management and administration

Manager

BOCOM International Asset
Management Limited
9/F, Man Yee Building
68 Des Voeux Road Central
Hong Kong

Directors of the Manager

LI Wu
SU Fen (Appointed on 11 December 2023)
XI Xuanhua (Resigned on 21 December 2023)

Trustee and Registrar

Bank of Communications Trustee Limited
1/F, Far East Consortium Building
121 Des Voeux Road Central
Central
Hong Kong

Sub-custodian

Citibank, N. A.
10/F, Two Harbour Front,
22 Tak Fung Street,
Hung Hom, Kowloon,
Hong Kong

Solicitors to the Manager

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

Auditor

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

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 faced a challenging year in 2023. The Hang Seng Index dropped by 13.82% for the year, marking the fourth consecutive year of decline. The weak performance of the Hong Kong stock market was influenced by various factors, including intensified China-U.S. relations, the U.S. interest rate hikes, and weak fundamentals of certain industries such as real estate. Among HSI Wind sub sector indices, the oil and telecommunications sectors delivered positive return of 34.24% and 28.82% respectively, while real estate, healthcare and consumer stable sectors experienced weak performances with negative return of 27.75%/22.69%/19.65% respectively. Looking forward into 2024, with the proactive monetary and fiscal policies, China's economy is expected to maintain a steady growth despite external macro uncertainties. We hold optimistic view of Hong Kong stock market performance in 2024, especially in high dividend value stocks.

Portfolio Review

For the whole year ended 31 Dec 2023, the fund recorded -17.3% of total return. In 2024, we expect steady economic growth in China but turbulent international situation due to general elections in several countries including US and local conflicts. We prefer high-dividend value stocks (especially SOEs) to growth ones to gain more stable return for our investors.

By order of the board



Director

Hong Kong

29 APR 2024

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 2023.

For and on behalf of
Bank of Communications Trustee Limited



29 APR 2024



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 30, which comprise the statement of financial position as at 31 December 2023, 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, comprising material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2023 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 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 are responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and Trustee either intend to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Trustee 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.
- Conclude on the appropriateness of the Manager's and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on matters under the relevant 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.



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

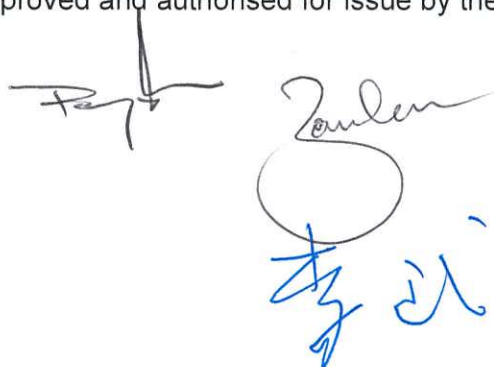
29 APR 2024

Statement of financial position as at 31 December 2023

(Expressed in Hong Kong dollars)

	Note	2023 HKD	2022 HKD
Assets			
Financial assets at fair value through profit or loss	3(a)	125,811,395	176,111,150
Dividend receivables		77,194	-
Amounts due from broker		5,983,029	-
Cash and cash equivalents	3(b)	12,465,436	2,743,652
Total assets		<u>144,337,054</u>	<u>178,854,802</u>
Liabilities			
Management fee payable	7(b)	181,433	226,421
Trustee fee payable	7(c)	41,254	50,851
Redemption payable		12,551,896	546,214
Accrued expense and other payables		319,009	307,720
Total liabilities		<u>13,093,592</u>	<u>1,131,206</u>
Equity			
Net assets attributable to unitholders	6	<u>131,243,462</u>	<u>177,723,596</u>

Approved and authorised for issue by the Trustee and the Manager on **29 APR 2024**



) 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 30 form part of these financial statements.

Statement of comprehensive income

For the year ended 31 December 2023

(Expressed in Hong Kong dollars)

	Note	2023 HKD	2022 HKD
Income			
Interest income on bank deposits		9,994	1,180
Dividend income		5,046,316	7,177,055
Net losses on financial assets at fair value through profit or loss	5	(30,237,989)	(54,144,755)
Net foreign exchange losses		-	(1)
Total losses		<u>(25,181,679)</u>	<u>(46,966,521)</u>
Expenses			
Management fee	7(b)	(2,531,196)	(2,861,988)
Trustee fee	7(c)	(569,988)	(639,629)
Sub-custodian fee		(93,891)	(101,619)
Audit fee		(400,889)	(262,734)
Transaction costs	9	(3,486,695)	(2,247,878)
Bank charges		(3,385)	(2,148)
Other expenses		219	17,841
Total operating expenses		<u>(7,085,825)</u>	<u>(6,098,155)</u>
Loss before tax		<u>(32,267,504)</u>	<u>(53,064,676)</u>
Withholding taxes	8	<u>(325,026)</u>	<u>(495,924)</u>
Decrease in net assets attributable to unitholders from operations		<u>(32,592,530)</u>	<u>(53,560,600)</u>

The notes on pages 12 to 30 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year ended 31 December 2023

(Expressed in Hong Kong dollars)

	Note	2023 HKD	2022 HKD
Net assets attributable to unitholders at beginning of the year		<u>177,723,596</u>	<u>234,393,736</u>
Issue of units during the year		7,459,459	491,552
Redemption of units during the year		<u>(21,347,063)</u>	<u>(3,601,092)</u>
Net redemption from unit transactions by unitholders during the year		<u>(13,887,604)</u>	<u>(3,109,540)</u>
Decrease in net assets attributable to unitholders from operations		<u>(32,592,530)</u>	<u>(53,560,600)</u>
Net assets attributable to unitholders at end of the year	6	<u>131,243,462</u>	<u>177,723,596</u>
<i>Number of redeemable units</i>			
		2023	2022
Units in issue at beginning of the year		21,912,759.517	22,257,148.623
Issue of units during the year		867,883.590	67,903.298
Redemption of units during the year		<u>(3,223,646.759)</u>	<u>(412,292.404)</u>
Units in issue at end of the year	6	<u>19,556,996.348</u>	<u>21,912,759.517</u>

The notes on pages 12 to 30 form part of these financial statements.

Statement of cash flows for the year ended 31 December 2023 (Expressed in Hong Kong dollars)

	2023 HKD	2022 HKD
Cash flows from operating activities		
Decrease in net assets attributable to unitholders from operations	(32,592,530)	(53,560,600)
Adjustment for:		
Dividend income	(5,046,316)	(7,177,055)
Interest income on bank deposits	(9,994)	(1,180)
Net losses on financial assets at fair value through profit or loss	30,237,989	54,144,755
Withholding taxes	325,026	495,924
	(7,085,825)	(6,098,156)
Change in:		
Financial assets at fair value through profit or loss	20,061,766	(48,041,965)
Amounts due from broker	(5,983,029)	-
Prepayment	-	34,501
Management fee payable	(44,988)	(403,214)
Trustee fee payable	(9,597)	(87,158)
Accrued expense and other payables	11,289	(64,836)
Cash generated from/(used in) operating activities	6,949,616	(54,660,828)
Interest received	9,994	1,180
Dividend received	4,969,122	7,233,019
Withholding taxes paid	(325,026)	(495,924)
Net cash generated from/(used in) operating activities	11,603,706	(47,922,553)
Cash flows from financing activities		
Proceeds from issue of units	7,459,459	491,552
Payments on redemption of units	(9,341,381)	(3,054,878)
Net cash used in financing activities	(1,881,922)	(2,563,326)

Statement of cash flows for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

	2023 HKD	2022 HKD
Net increase/(decrease) in cash and cash equivalents	9,721,784	(50,485,879)
Cash and cash equivalents at beginning of the year	2,743,652	53,229,531
Cash and cash equivalents at end of the year	<u>12,465,436</u>	<u>2,743,652</u>

The notes on pages 12 to 30 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 2023. 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 Material 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), the relevant provisions of the Trust Deed, as amended, and the relevant disclosure provisions of the SFC Code issued by the SFC. Material 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 Material 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 assets 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

New and amended HKFRSs

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Sub-Fund.

- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

The amended HKFRSs listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) Financial assets and financial liabilities

Recognition and initial measurement

The Sub-Fund initially recognises regular-way transactions in financial assets and financial liabilities at fair value through profit or loss ("FVTPL") on the trade date, which is the date on which the Sub-Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured at initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

2 Material accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

Classification and subsequent measurement

Classification of financial assets

On initial recognition, the Sub-Fund classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI")

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

Business model assessment

The Sub-Fund has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents, amounts due from brokers and interest receivable. These financial assets are held to collect contractual cash flow.
- Other business model: this includes financial assets at fair value through profit or loss. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Sub-Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement of financial assets

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses are recognised in profit or loss in "net losses on financial assets at fair value through profit or loss" in the statement of comprehensive income.

2 Material accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. They are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

The Sub-Fund derecognises regular-way sales of financial assets using trade date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Sub-Fund transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Sub-Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On a derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received is recognised in profit or loss.

Fair value measurement

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Sub-Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Sub-Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as “active” if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Sub-Fund measures instruments quoted in an active market at last bid price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Sub-Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Sub-Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

2 Material accounting policies (continued)

(e) 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.

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.

2 Material accounting policies (continued)

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.

(f) Accrued expenses

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

(g) Income

Interest income presented in the statement of comprehensive income is calculated on an effective interest basis.

The "effective interest rate" is calculated on initial recognition of a financial instrument as the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

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

(h) Expenses

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

2 Material accounting policies (continued)

(i) 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.

(j) 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.

2 Material accounting policies (continued)

(k) Foreign currency translation

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

(l) 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.

(m) Related parties

- (a) A person, or a close member of that person's family, is related to the group if that person:
 - (i) has control or joint control over the group;
 - (ii) has significant influence over the group; or
 - (iii) is a member of the key management personnel of the group or the group's parent.
- (b) An entity is related to the group if any of the following conditions applies:
 - (i) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2 Material accounting policies (continued)

(m) Related parties (continued)

- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Financial risk management

The Sub-Fund has exposure to market risk (price risk, interest rate risk and currency risk), credit risk and liquidity risk.

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 risk

i. Price risk

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:

	2023 HKD	2022 HKD
Listed equities	125,811,395	176,111,150
	<u>125,811,395</u>	<u>176,111,150</u>

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 2023, 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% (2022: 10%), the Sub-Fund's pre-tax profits for the year would have resulted in an increase/decrease of HKD 12,581,140 (2022: HKD17,611,115).

3 Financial risk management (continued)

ii. Interest rate risk

As at 31 December 2023 and 2022, 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.

iii. 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 2023 and 2022, the Sub-Fund is not exposed to significant currency risk as majority of its 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.

(b) Credit risk

Credit 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 risk on cash and cash equivalents.

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

3 Financial risk management (continued)

As at 31 December 2023

	HKD	Credit rating	Source of credit rating
Investments			
Citibank, N.A.	125,811,395	A+	Standard & Poor's
Cash and cash equivalents			
Citibank, N.A.	12,354,916	A+	Standard & Poor's
¹ Bank of Communications Co. Ltd HK Branch	110,520	A-	Standard & Poor's
	<u>12,465,436</u>		
Amounts due from broker			
Citibank, N.A.	5,983,029	A+	Standard & Poor's

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
¹ Bank of Communications Co. Ltd HK Branch	93	A-	Standard & Poor's
	<u>2,743,652</u>		

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.

Cash and cash equivalents, amounts due from brokers and interest receivable are subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

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.

(c) 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 2023, there were 2 (2022: 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 2023	
Management fee payable	181,433
Trustee fee payable	41,254
Accrued expenses and other payables	319,009
Redemption payable	12,551,896
Contractual cash outflow	<u>13,093,592</u>

	<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
Redemption payable	546,214
Contractual cash outflow	<u>1,131,206</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 2023	
Total assets	<u>144,337,054</u>
As at 31 December 2022	
Total assets	<u>178,854,802</u>

(d) 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 2023 and 2022 respectively:

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
As at 31 December 2023				
Assets				
Financial assets at fair value through profit or loss				
- Listed equities	125,811,395	-	-	125,811,395
Total assets	<u>125,811,395</u>	<u>-</u>	<u>-</u>	<u>125,811,395</u>
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>

For the year ended 31 December 2023 and 2022, there were no transfers between levels.

(e) 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 2023 and 2022.

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

	2023 HKD	2022 HKD
Net realised losses on sale of financial assets at fair value through profit or loss	(12,909,689)	(55,199,539)
Net unrealised (losses)/gains of financial assets at fair value through profit or loss	(17,328,300)	1,054,784
	<u>(30,237,989)</u>	<u>(54,144,755)</u>

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

As at 31 December 2023 and 2022, 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:

	Number of units outstanding	Net asset value per unit HKD
At 31 December 2023	<u>19,556,996.348</u>	<u>6.710</u>
At 31 December 2022	<u>21,912,759.517</u>	<u>8.110</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 2023 and 2022 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 2023 and 2022 and interest income earned during the year on these bank balances are summarised below:

	2023 HKD	2022 HKD
Bank balances deposited	110,520	93
Interest income earned	9,867	1,070

(b) Management fee

The Manager is entitled to receive a management fee calculated at the annual rate of 1.5% (2022: 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 HKD2,531,196 (2022: HKD2,861,988). As at 31 December 2023, the Sub-Fund has management fee payable to the Manager of HKD181,433 (2022: HKD226,421).

(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 (2022: 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 2023 and 31 December 2022:

	2023 HKD	2022 HKD
Trustee fee	569,988	639,629
Trustee fee payable	41,254	50,851

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 2023 and 31 December 2022 were as follows.

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

	<i>Units outstanding at 1 January 2023</i>	<i>Units subscribed during the year</i>	<i>Units redeemed during the year</i>	<i>Units outstanding at 31 December 2023</i>
2023	<u>17,989,892.747</u>	<u>-</u>	<u>(2,797,978.600)</u>	<u>15,191,914.147</u>
	<i>Units outstanding at 1 January 2022</i>	<i>Units subscribed during the year</i>	<i>Units redeemed during the year</i>	<i>Units outstanding at 31 December 2022</i>
2022	<u>17,989,892.747</u>	<u>-</u>	<u>-</u>	<u>17,989,892.747</u>

Units held by directors of the Manager:

	<i>Units Outstanding at 1 January 2023</i>	<i>Increase resulting from director appointments during the year</i>	<i>Units subscribed during the year</i>	<i>Units redeemed during the year</i>	<i>Decrease resulting from director cessations during the year</i>	<i>Units outstanding at 31 December 2023</i>
2023	<u>17,550.017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,550.017</u>
	<i>Units Outstanding at 1 January 2022</i>	<i>Increase resulting from director appointments during the year</i>	<i>Units subscribed during the year</i>	<i>Units redeemed during the year</i>	<i>Decrease resulting from director cessations during the year</i>	<i>Units outstanding at 31 December 2022</i>
2022	<u>17,550.017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,550.017</u>

7 Transactions with related parties or connected persons (continued)

(e) Brokerage fee

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

	2023 HKD	2022 HKD
Total aggregate value of such transactions for the year	281,058,058	187,675,465
Percentage of such transactions in value to total transactions for the year	19.26%	20.47%
Total commission paid for the year	280,982	225,205
Average rate of commission	0.10%	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.

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 2023 amounted to HKD3,486,695 (2022: HKD2,247,878).

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 2023

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 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Sub-Fund.

*Effective for
accounting periods
beginning on or after*

Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")</i>	1 January 2024
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025

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 2023

Investments (95.86%)	Holdings	Fair Value HKD	% of Net assets
Equity securities (95.86%)			
Listed in Hong Kong			
Boe Varitronix Ltd	300,000	2,091,000	1.59%
Bosideng International Holdings Ltd	1,000,000	3,500,000	2.67%
China Animal Healthcare Ltd	270,000	-	0.00%
China Coal Energy Co Ltd	446,000	3,162,140	2.41%
China Resources Gas Group Ltd	330,000	8,431,500	6.42%
China Resources Medical Holdings Company Ltd	900,000	4,320,000	3.29%
China Resources Pharmaceutical Group Ltd	633,500	3,249,855	2.48%
China Telecom Corp Ltd	2,000,000	7,460,000	5.68%
China Traditional Chinese Medicine Holdings Co Ltd	1,500,000	5,880,000	4.48%
Chinasoft International Ltd	1,350,000	8,059,500	6.14%
CK Asset Holdings Ltd	200,000	7,830,000	5.97%
Country Garden Holdings Co Ltd	10,000,000	7,700,000	5.87%
Ganfeng Lithium Group Co Ltd	150,000	4,402,500	3.35%
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	210,000	4,567,500	3.47%
Hong Kong Exchanges and Clearing Ltd	15,000	4,014,000	3.06%
Lenovo Group Ltd	800,000	8,736,000	6.66%
MINISO Group Holding Ltd	210,000	8,421,000	6.42%
Semiconductor Manufacturing International Corp	450,000	8,919,000	6.80%
Sinopharm Group Co Ltd	330,000	6,732,000	5.13%
Tianqi Lithium Corp	80,000	3,448,000	2.63%
Yadea Group Holdings Ltd	110,000	1,509,200	1.15%
Zhaojin Mining Industry Co Ltd	660,000	6,382,200	4.86%
Zijin Mining Group Co Ltd	550,000	6,996,000	5.33%
Total investments (cost = HKD 124,290,234)		125,811,395	95.86%
Other net assets		5,432,067	4.14%
Total net assets as at 31 December 2023		131,243,462	100.00%

Statement of movements in investment portfolio (unaudited) For the year ended 31 December 2023

Investments	2022	Additions	Holdings/principal Corporate Actions	Disposals	2023
Equities					
AAC Technologies Holdings Inc	400,000	-	-	400,000	-
Alibaba Group Holding Ltd	75,000	170,000	-	245,000	-
Aluminum Corporation of China Ltd	-	4,000,000	-	4,000,000	-
Angelalign Technology Inc	40,000	40,000	-	80,000	-
ANTA Sports Products Ltd	-	80,000	-	80,000	-
AsiaInfo Technologies Ltd	-	80,000	-	80,000	-
AviChina Industry & Technology Co Ltd	-	1,700,000	-	1,700,000	-
Baidu Inc	-	120,000	-	120,000	-
Bilibili Inc	-	68,000	-	68,000	-
Boe Varitronix Ltd	-	500,000	-	200,000	300,000
Bosideng International Holdings Ltd	-	1,000,000	-	-	1,000,000
CanSino Biologics Inc	-	150,000	-	150,000	-
China Coal Energy Co Ltd	-	446,000	-	-	446,000
China Communications Construction Co Ltd	1,000,000	-	-	1,000,000	-
China Communications Services Corp Ltd	-	2,000,000	-	2,000,000	-
China Construction Bank Corp	-	2,600,000	-	2,600,000	-
China East Education Holdings Ltd	1,000,000	-	-	1,000,000	-
China Education Group Holdings Ltd	460,000	500,000	-	960,000	-
China Mobile Ltd	-	100,000	-	100,000	-
China National Building Material Co Ltd	-	800,000	-	800,000	-
China Railway Construction Corp Ltd	-	900,000	-	900,000	-
China Resources Gas Group Ltd	-	330,000	-	-	330,000
China Resources Land Ltd	-	80,000	-	80,000	-
China Resources Medical Holdings Company Ltd	-	3,956,500	-	3,056,500	900,000
China Resources Pharmaceutical Group Ltd	-	633,500	-	-	633,500
China Telecom Corp Ltd	-	4,000,000	-	2,000,000	2,000,000
China Traditional Chinese Medicine Holdings Co Ltd	1,000,000	1,500,000	-	1,000,000	1,500,000
China Unicom Hong Kong Ltd	-	1,000,000	-	1,000,000	-
China Vanke Co Ltd	-	1,000,000	-	1,000,000	-
Chinasoft International Ltd	1,300,000	2,600,000	-	2,550,000	1,350,000
CK Asset Holdings Ltd	-	200,000	-	-	200,000
CMOC Group Ltd	1,200,000	-	-	1,200,000	-
CNOOC Ltd	-	1,000,000	-	1,000,000	-
COFCO Joycome Foods Ltd	-	2,400,000	-	2,400,000	-
COSCO Shipping Energy Transportation Co Ltd	-	400,000	-	400,000	-
COSCO Shipping Holdings Co Ltd	500,000	-	-	500,000	-
Country Garden Holdings Co Ltd	1,000,000	10,000,000	-	1,000,000	10,000,000
Country Garden Services Holdings Co Ltd	150,000	-	-	150,000	-

Statement of movements in investment portfolio (unaudited) For the year ended 31 December 2023 (continued)

Investments	2022	Additions	Holdings/principal Corporate Actions	Disposals	2023
Equities					
Dongfang Electric Corp Ltd	450,000	-	-	450,000	-
Dongyue Group Ltd	600,000	-	-	600,000	-
Flat Glass Group Co Ltd	250,000	-	-	250,000	-
Foxconn Interconnect Technology Ltd	-	2,000,000	-	2,000,000	-
Ganfeng Lithium Group Co Ltd	-	550,000	-	400,000	150,000
Geely Automobile Holdings Ltd	500,000	-	-	500,000	-
Giant Biogene Holding Co Ltd	-	190,000	-	190,000	-
Great Wall Motor Co Ltd	-	400,000	-	400,000	-
Greentown China Holdings Ltd	450,000	-	-	450,000	-
Guangshen Railway Co Ltd	-	2,500,000	-	2,500,000	-
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	-	210,000	-	-	210,000
H World Group Ltd	-	150,000	-	150,000	-
Haidilao International Holding Ltd	300,000	100,000	-	400,000	-
Hong Kong Exchanges and Clearing Ltd	30,000	70,000	-	85,000	15,000
Hua Hong Semiconductor Ltd	150,000	350,000	-	500,000	-
Huaneng Power International Inc	-	1,500,000	-	1,500,000	-
HUTCHMED (China) Ltd	-	150,000	-	150,000	-
Innovent Biologics Inc	-	200,000	-	200,000	-
JI Mag Rare-Earth Co Ltd	-	100,000	-	100,000	-
Ke Holdings Inc	110,000	-	-	110,000	-
Kingboard Laminates Holdings Ltd	-	200,000	-	200,000	-
Kingdee International Software Group Co Ltd	800,000	-	-	800,000	-
Kingsoft Corp Ltd	-	150,000	-	150,000	-
Kuaishou Technology	70,000	180,000	-	250,000	-
KWG Group Holdings Ltd	800,000	3,200,000	-	4,000,000	-
Lenovo Group Ltd	-	1,500,000	-	700,000	800,000
Li Ning Co Ltd	-	150,000	-	150,000	-
LK Technology Holdings Ltd	-	200,000	-	200,000	-
Longfor Group Holdings Ltd	-	500,000	-	500,000	-
Maoyan Entertainment	-	300,000	-	300,000	-
Meituan	65,000	260,000	-	325,000	-
Metallurgical Corporation of China Ltd	2,000,000	-	-	2,000,000	-
Microport Scientific Corp	100,000	-	-	100,000	-
MINISO Group Holding Ltd	-	210,000	-	-	210,000
NetEase Inc	-	80,000	-	80,000	-
New Horizon Health Ltd	-	110,000	-	110,000	-
New Oriental Education & Technology Group Inc	20,000	100,000	-	120,000	-
Nexteer Automotive Group Ltd	750,000	1,100,000	-	1,850,000	-
NIO Inc	-	200,000	-	200,000	-

Statement of movements in investment portfolio (unaudited) For the year ended 31 December 2023 (continued)

Investments	2022	Additions	Holdings/principal Corporate Actions	Disposals	2023
Equities					
Pharmaron Beijing Co Ltd	-	550,000	-	550,000	-
Ping An Insurance Group Co of China Ltd	-	100,000	-	100,000	-
Pop Mart International Group Ltd	-	300,000	-	300,000	-
RemeGen Co Ltd	-	60,000	-	60,000	-
Semiconductor Manufacturing International Corp	-	1,050,000	-	600,000	450,000
SenseTime Group Inc	-	1,200,000	-	1,200,000	-
Sinopharm Group Co Ltd	-	330,000	-	-	330,000
Sun Art Retail Group Ltd	1,500,000	-	-	1,500,000	-
Sunny Optical Technology Group Co Ltd	-	250,000	-	250,000	-
Super Hi International Holding Ltd	30,000	-	-	30,000	-
Techtronic Industries Co Ltd	-	70,000	-	70,000	-
Tencent Holdings Ltd	-	16,000	-	16,000	-
Tianqi Lithium Corp	-	250,000	-	170,000	80,000
Tingyi (Cayman Islands) Holding Corp	-	400,000	-	400,000	-
Tongcheng Travel Holdings Ltd	-	300,000	-	300,000	-
TravelSky Technology Ltd	250,000	270,000	-	520,000	-
Trip.com Group Ltd	-	20,000	-	20,000	-
Uni-President China Holdings Ltd	-	600,000	-	600,000	-
WuXi Biologics (Cayman) Inc	140,000	200,000	-	340,000	-
Wynn Macau Ltd	-	500,000	-	500,000	-
Xiaomi Corp	-	900,000	-	900,000	-
Xinyi Glass Holdings Ltd	-	600,000	-	600,000	-
Xpeng Inc	-	110,000	-	110,000	-
Xtep International Holdings Ltd	400,000	-	-	400,000	-
Yadea Group Holdings Ltd	-	110,000	-	-	110,000
Yangtze Optical Fibre and Cable Joint Stock Ltd Co	-	250,000	-	250,000	-
Yihai International Holding Ltd	-	130,000	-	130,000	-
Zai Lab Ltd	-	60,000	-	60,000	-
Zhaojin Mining Industry Co Ltd	-	660,000	-	-	660,000
Zhejiang Leapmotor Technology Co Ltd	-	150,000	-	150,000	-
Zhongsheng Group Holdings Ltd	100,000	-	-	100,000	-
Zijin Mining Group Co Ltd	-	1,000,000	-	450,000	550,000
ZTE Corp	-	700,000	-	700,000	-
Unlisted equities securities					
Hong Kong					
China Animal Healthcare Ltd	270,000	-	-	-	270,000

Performance table (unaudited) for the year ended 31 December 2023

Net asset values	<i>Net asset value of the Sub-Fund HKD</i>	<i>Net asset value per unit HKD</i>
At 31 December 2023 (NAV)	131,243,462	6.710
At 31 December 2022 (NAV)	177,723,596	8.110
At 31 December 2021 (NAV)	234,393,736	10.531

Highest and lowest net asset value per unit

	<i>Highest net asset value per unit</i>	<i>Lowest net asset value per unit</i>
Year ended 31 December 2023	9.144	6.345
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