

ANNUAL REPORT

CHINA UNIVERSAL INTERNATIONAL SERIES –
CUAM CHINA-HONG KONG STRATEGY FUND
(A sub-fund of China Universal International Series, an
umbrella unit trust established under the laws of Hong Kong)

31 December 2020

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
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CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
(A sub-fund of China Universal International Series)

ADMINISTRATION AND MANAGEMENT

MANAGER

China Universal Asset Management (Hong Kong) Company
Limited
3710-11, Two International Finance Centre
8 Finance Street
Central
Hong Kong

TRUSTEE AND REGISTRAR

BOCI-Prudential Trustee Limited
12/F & 25/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

DIRECTORS OF THE MANAGER

LI Wen
WAN Qing
ZHANG Hui

AUDITOR

Ernst & Young
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1 Tim Mei Avenue
Central
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SOLICITORS TO THE MANAGER

Deacons
5/F, Alexandra House
18 Chater Road
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CUSTODIAN

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

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
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REPORT OF THE MANAGER TO THE UNITHOLDERS

Fund Performance

For the year ended 31 December 2020, the Class I HKD units of CUAM China-Hong Kong Strategy Fund (the "Sub-Fund") had an accumulated gain of 80.79%. The Class A HKD units had an accumulated gain of 79.90%. The Class I USD units had an accumulated gain of 81.60%. The Class A USD units had an accumulated gain of 80.69%. The Class A RMB units had an accumulated gain of 68.86%.

Since the inception on 16 November 2012, Class I HKD units of the Sub-Fund achieved an accumulative return of 314.11%. The Class A HKD units had an accumulated gain of 148.97% since its inception date on 17 April 2015. The Class I USD units had an accumulated gain of 81.60% since its inception date on 31 December 2019. The Class A USD units had an accumulated gain of 152.60% since its inception date on 18 May 2017. The Class A RMB units had an accumulated gain of 80.94% since its re-issuance date on 7 May 2019¹.

Market Review

MSCI China Index went up by 26.70%, while Hang Seng Index and Hang Seng China Enterprises Index went down by 3.40% and 3.85% respectively in 2020². China's stock market recovered strongly after the trough in March caused by breakout of the coronavirus pandemic. This reflected worldwide central banking monetary easing as well as China's economic survival after the government took effective measures to curb the spreading of the virus. We continue to see further industry consolidation in various sectors, and high-quality leaders in each industry are expanding their market share through operational, technology and capital advantages.

Market Outlook

Looking into 2021, we expect China will continue to benefit from low global interest rates as well as the country's rapid post-pandemic rebound. Overall, we are relatively optimistic on China's stock market. From mid-to-long run, we maintain our focus on long-term themes such as China's rebalancing into services and consumption, increasing share of discretionary spending and premiumisation, increasing spending on R&D and technology leading to innovation and market consolidation within segments.

For and on behalf of
China Universal Asset Management (Hong Kong) Company Limited, the Manager

28 April 2021

¹ There were no outstanding units in issue for Class A (RMB) of the Sub-Fund since 26 April 2019. Units of Class A (RMB) of the Sub-Fund were re-issued on 7 May 2019 and the relevant performance figures are calculated from the reissue date.

² Indices are for reference only, not for benchmark.

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
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REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager, China Universal Asset Management (Hong Kong) Company Limited, has, in all material respects, managed China Universal International Series – CUAM China-Hong Kong Strategy Fund for the year ended 31 December 2020 in accordance with the provisions of the trust deed dated 29 December 2011 as amended by five supplemental deeds dated 5 October 2012, 15 July 2013, 25 August 2016, 12 January 2017 and 10 December 2019 (collectively, the "Trust Deed").

On behalf of
BOCI-Prudential Trustee Limited, the Trustee

28 April 2021

Independent auditor's report

To the Trustee and the Manager of

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
(A sub-fund of China Universal International Series, an umbrella unit trust established under the laws of Hong Kong)

Opinion

We have audited the financial statements of China Universal International Series – CUAM China-Hong Kong Strategy Fund (a sub-fund of China Universal International Series (the "Trust") and referred to as the "Sub-Fund") set out on pages 7 to 35, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2020, 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.

Other information included in the Annual Report

The Manager and the Trustee of the Sub-Fund are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report (continued)

To the Trustee and the Manager of

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
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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 Manager and the 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 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, as amended by supplemental deeds (collectively, the "Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds ("the SFC Code") issued by the Hong Kong Securities and Futures Commission.

Auditor's responsibilities for the audit of the financial statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

As part of an audit in accordance with 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 (continued)

To the Trustee and the Manager of
CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
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Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code

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

Certified Public Accountants
Hong Kong
28 April 2021

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
(A sub-fund of China Universal International Series)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2020

	Notes	2020 HK\$	2019 HK\$
INCOME			
Dividend income	5	5,427,314	8,551,957
Interest income	4	27,962	15,858
Foreign exchange differences		3,767,823	(342,424)
Net gains on financial assets at fair value through profit or loss	8	<u>805,372,786</u>	<u>100,113,088</u>
		<u>814,595,885</u>	<u>108,338,479</u>
EXPENSES			
Management fee	4	(13,601,674)	(4,068,298)
Trustee fee	4	(1,768,496)	(664,046)
Custodian fee	4	(274,938)	(90,574)
Bank charges		(25,928)	(57,107)
Broker commission and investment transaction fee	6	(9,414,554)	(1,141,227)
Other expenses		(6,375)	(6,375)
		<u>(25,091,965)</u>	<u>(6,027,627)</u>
PROFIT BEFORE TAX		789,503,920	102,310,852
Income tax	5	(320,421)	(359,292)
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u><u>789,183,499</u></u>	<u><u>101,951,560</u></u>

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
(A sub-fund of China Universal International Series)

STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	2020 HK\$	2019 HK\$
ASSETS			
Financial assets at fair value through profit or loss	8	1,291,435,150	488,488,817
Prepayment		6,375	6,375
Dividend receivables		160	135,000
Due from the Manager	4	16,800	31,170
Amount due from broker	9	-	1,449,020
Subscription proceeds receivable		14,278,716	8,159,280
Cash and bank balances	10	<u>136,836,556</u>	<u>13,792,573</u>
TOTAL ASSETS		<u><u>1,442,573,757</u></u>	<u><u>512,062,235</u></u>
LIABILITIES			
Management fee payable	4	1,411,888	413,437
Trustee fee payable	4	186,718	64,859
Amount due to broker	9	57,028,910	1,967
Other payables and accruals		240,327	15,150
Redemption proceeds payable		<u>9,994,873</u>	<u>251,121</u>
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>68,862,716</u>	<u>746,534</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	11	<u><u>1,373,711,041</u></u>	<u><u>511,315,701</u></u>
TOTAL LIABILITIES AND EQUITY		<u><u>1,442,573,757</u></u>	<u><u>512,062,235</u></u>

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
(A sub-fund of China Universal International Series)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2020

	Note	Number of units	HK\$
At 1 January 2019		24,222,125.494	359,874,300
Subscription of units			
- Class A (HKD) units		6,628,240.094	87,018,391
- Class A (USD) units		3,980,455.719	40,932,550
- Class A (RMB) units		100,708.368	1,263,157
- Class I (HKD) units		2,298,942.590	48,769,439
- Class I (USD) units		810,000.000	6,307,237
		<u>13,818,346.771</u>	<u>184,290,774</u>
Redemption of units			
- Class A (HKD) units		(2,817,589.436)	(36,934,068)
- Class A (USD) units		(677,169.973)	(6,930,301)
- Class A (RMB) units		(40,000.000)	(510,928)
- Class I (HKD) units		(4,099,909.981)	(90,425,636)
		<u>(7,634,669.390)</u>	<u>(134,800,933)</u>
Increase in net assets attributable to unitholders during the year		-	<u>101,951,560</u>
At 31 December 2019 and 1 January 2020		30,405,802.875	511,315,701
Subscription of units			
- Class A (HKD) units		78,025,586.625	1,347,703,179
- Class A (USD) units		23,200,697.411	373,954,813
- Class A (RMB) units		1,084,290.081	20,141,098
- Class I (HKD) units		3,791,876.454	99,313,569
- Class I (USD) units		5,997,341.053	53,813,627
		<u>112,099,791.624</u>	<u>1,894,926,286</u>
Redemption of units			
- Class A (HKD) units		(74,141,576.723)	(1,537,992,085)
- Class A (USD) units		(10,245,314.913)	(152,142,612)
- Class A (RMB) units		(275,447.389)	(5,320,521)
- Class I (HKD) units		(2,820,699.528)	(95,399,416)
- Class I (USD) units		(3,055,456.517)	(30,859,811)
		<u>(90,538,495.070)</u>	<u>(1,821,714,445)</u>
Increase in net assets attributable to unitholders during the year		-	<u>789,183,499</u>
At 31 December 2020	11	<u>51,967,099.429</u>	<u>1,373,711,041</u>

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
(A sub-fund of China Universal International Series)

STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	2020 HK\$	2019 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		789,503,920	102,310,852
Adjustments for:			
Interest income on bank deposits	(27,962)	(15,858)
Dividend income	(5,427,314)	(8,551,957)
		<u>784,048,644</u>	<u>93,743,037</u>
Increase in financial assets at fair value through profit or loss	(802,946,333)	(143,545,986)
Decrease in amount due from broker		1,449,020	1,145,699
Decrease in amount due from the Manager		14,370	97,775
Increase in management fee payable		998,451	136,390
Increase in trustee fee payables		121,859	18,520
Increase/(decrease) in amount due to a broker		57,026,943	(3,076)
Increase in other payables and accruals		<u>225,177</u>	<u>14,850</u>
Net cash generated from/(used in) operations		40,938,131	(48,392,791)
Interest received		27,962	15,858
Dividend received, net of tax		<u>5,241,733</u>	<u>8,060,198</u>
Net cash flows from/(used in) operating activities		<u>46,207,826</u>	<u>(40,316,735)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		1,888,806,850	176,141,369
Payments on redemption of units		<u>(1,811,970,693)</u>	<u>(134,549,812)</u>
Net cash flows from financing activities		<u>76,836,157</u>	<u>41,591,557</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		123,043,983	1,274,822
Cash and cash equivalents at beginning of year		<u>13,792,573</u>	<u>12,517,751</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	<u><u>136,836,556</u></u>	<u><u>13,792,573</u></u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	10	<u><u>136,836,556</u></u>	<u><u>13,792,573</u></u>

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM CHINA-HONG KONG STRATEGY FUND
(A sub-fund of China Universal International Series)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

1. THE SUB-FUND

China Universal International Series (the "Trust") was constituted as an open-ended unit trust established under the laws of Hong Kong pursuant to the trust deed dated 29 December 2011 as amended by five supplemental deeds dated 5 October 2012, 15 July 2013, 25 August 2016, 12 January 2017 and 10 December 2019 (collectively, the "Trust Deed"). As at 31 December 2020, the Trust consists of four sub-funds namely CUAM RMB Bondplus Fund, CUAM China-Hong Kong Strategy Fund, CUAM Hong Kong Dollar Bond Fund and CUAM Select US Dollar Bond Fund.

CUAM China-Hong Kong Strategy Fund (the "Sub-Fund") was commenced as a separate sub-fund of the Trust on 16 November 2012. The Sub-Fund is an open-ended unit trust authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under Section 104(1) of the Securities and Futures Ordinance (the "SFO") and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC (the "SFC Code"). Authorisation by the SFC does not imply official approval or recommendation.

The Manager of the Sub-Fund is China Universal Asset Management (Hong Kong) Company Limited (the "Manager") and the Trustee is BOCI-Prudential Trustee Limited (the "Trustee"). The Custodian is Bank of China (Hong Kong) Limited (the "Custodian").

Two classes of units, namely Class A units and Class I units, are available for subscription for the Sub-Fund. Class A units and Class I units are subject to different management fee. For the year ended 31 December 2020, Class A units and Class I units were in issue.

The investment objective of the Sub-Fund is to achieve medium to long-term capital growth through investing primarily in securities of companies which are established in the People's Republic of China ("PRC"), Hong Kong, Macau and Taiwan ("Greater China") or having their income, revenue, assets, economic activities, business or operations associated with Greater China.

At least 70% of the Sub-Fund's net asset value will be invested in a portfolio of (a) equity securities (including but not limited to ordinary shares, preferred shares, American Depositary Receipts, Global Depositary Receipts) of companies which are established in mainland China or Hong Kong or having their income, revenue, assets, economic activities, business or operations associated with mainland China and/or Hong Kong ("China-Hong Kong Companies"); and (b) debt securities instruments (including but not limited to long-term bonds, medium-term notes, bills and convertible bonds) issued by China-Hong Kong Companies and governments, government agencies and supra-national issuers in mainland China or Hong Kong.

The Sub-Fund may invest:

- Up to 100% of the Sub-Fund's net asset value in equity securities of China-Hong Kong Companies;
- Not more than 30% of the Sub-Fund's net asset value in debt securities instruments issued by China-Hong Kong Companies and governments, government agencies and supra-national issuers in mainland China or Hong Kong.

In addition, the Sub-Fund may invest on an ancillary basis less than 30% of its net asset value in (1) equity securities of non-China-Hong Kong Companies, (2) debt securities instruments issued by non-China-Hong Kong Companies, and governments, government agencies and supra-national issuers outside-mainland China or Hong Kong, and (3) collective investment schemes.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all 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 and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E to the SFC Code.

The financial statements have been prepared under the historical cost basis, except for financial assets classified at fair value through profit or loss ("FVPL") that have been measured at fair value. The financial statements are presented in Hong Kong Dollar ("HK\$") and all values are rounded to the nearest HK\$ except where otherwise indicated.

2.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>
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The nature and the impact of the amendments are described below:

Amendments to HKAS 1 and HKAS 8 Definition of Material

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any impact on the financial position and performance of the Sub-Fund.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

There are no standards and interpretations that are issued, but not yet effect, up to date of issuance of the Sub-Fund's financial statements which, in the opinion of the Manager will clearly impact the Sub-Fund.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(i) *Classification*

In accordance with HKFRS 9, the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) **Classification** (continued)

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Financial assets

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

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

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Sub-Fund includes in this short-term non-financing receivables including dividend receivables, due from the Manager, amount due from broker, subscription proceeds receivable and cash and bank balances.

Financial assets measured at fair value through profit or loss (FVPL)

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

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) **Classification** (continued)

Financial assets (continued)

The Sub-Fund includes in this category:

- Instruments held for trading. This category includes equity instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial liabilities

Financial liabilities measured at fair value through profit or loss (FVPL)

A financial liability is measured at FVPL if it meets the definition of held for trading. The Sub-Fund includes in this category includes its net assets attributable to unitholders and the Sub-Fund's accounting policy regarding the net assets attributable to unitholders is described in further part.

Financial liabilities measured at amortised cost

This category includes all financial liabilities. The Sub-Fund includes in this category management fee payable, trustee fee payable, amount due to broker, other payables and accruals and redemption proceeds payable.

(ii) **Recognition**

The Sub-Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Sub-Fund commits to purchase or sell the financial asset.

(iii) **Initial measurement**

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

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

(iv) **Subsequent measurement**

After initial measurement, the Sub-Fund measures financial instruments which are classified as fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in "Net gains or losses on financial assets at fair value through profit or loss". Dividend revenue elements of such instruments are recorded separately in "Dividend income".

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) **Subsequent measurement** (continued)

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

Financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(v) **Derecognition**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement; and either (a) the Sub-Fund has transferred substantially all the risks and rewards of the asset, or (b) the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Sub-Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Fund's continuing involvement in the asset. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained.

The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled, or expired.

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

The Sub-Fund measures financial instruments, such as, equities investments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by the Sub-Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Based on quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Fund determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of financial assets

The Sub-Fund recognises an allowance for expected credit losses ("ECLs") all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Sub-Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Foreign currency

These financial statements are presented in HK\$, which is the Sub-Fund's functional and presentation currency. Foreign currency transactions recorded by the Sub-Fund are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the reporting date. Differences arising on settlement or transaction of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss as part of the 'net gains on financial assets at fair value through profit or loss'.

Functional currency

The Sub-Fund's functional currency is HK\$, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated and its liquidity is managed in HK\$. Therefore, the HK\$ is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's presentation currency is also HK\$.

Net assets attributable to unitholders

The Sub-Fund issues redeemable units, namely Class A units and Class I units, which are redeemable at the unitholder's option and are classified as financial liabilities as they do not meet the conditions to be classified as equity.

The unitholders can redeem the units during the Hong Kong business days of each calendar month or such other day or days determined by the Manager and Trustee may agree from time to time for cash equal to a proportionate share of the Sub-Fund's net assets attributable to unitholders of the relevant classes.

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

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and bank balances

For the purpose of the statement of financial position, cash and bank balances comprise cash on hand, demand deposits, and short-term deposits in bank, with original maturities of three months or less.

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

Interest income

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

Dividend income

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

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

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

Unrealised gains and losses comprise changes in the fair value of financial assets for the year and from reversal of prior period's unrealised gains and losses for financial assets which were realised in the reporting period.

Realised gains and losses on disposals of financial assets classified as "at fair value through profit or loss" are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.

Related parties

A party is considered to be related to the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Sub-Fund;
 - (ii) has significant influence over the Sub-Fund; or
 - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund;
- or

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Sub-Fund are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Sub-Fund are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

Taxes

The Sub-Fund is exempt from all forms of taxation in Hong Kong, including income, capital gains and withholding taxes. However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment income in profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

Distributions to unitholders

Distributions are at the discretion of the Manager. A distribution to the Sub-Fund's unitholders is included in profit or loss as the "finance costs". A proposed distribution is recognised as a liability in the year in which it is approved by the Manager of the Sub-Fund. The Manager does not intend to make any distribution of income in respect of the Sub-Fund.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

In the process of applying the Sub-Fund's accounting policies, management has not made any significant judgements which have the significant effect on the amounts recognised in the financial statements.

Estimation uncertainty

No significant estimation uncertainty that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year exists at the end of the reporting period.

4. TRANSACTIONS WITH THE MANAGER AND ITS CONNECTED PERSONS AND RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions entered into during the year between the Sub-Fund and the Manager and their connected persons. Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Fund, the Manager and their connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with connected persons except for those disclosed below:

Holdings of the Sub-Fund

The Sub-Fund allows the Manager, its connected persons and other funds managed by the Manager to subscribe for, and redeem, units in the Sub-Fund.

The holdings of Class I (HKD) units of the Sub-Fund by the Manager as at 31 December 2020 and 31 December 2019 were as follows:

During the year ended 31 December 2020, the Manager had a subscription of HK\$30,000,000 of Class I (HKD) and a redemption of HK\$18,054,017 in Class I (HKD).

At 31 December 2020

	Units outstanding at 31 December 2019	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2020
CUAM China-Hong Kong Strategy Fund – Class I (HKD)	<u>10,005,236.681</u>	<u>1,292,860.047</u>	<u>657,826.000</u>	<u>10,640,270.728</u>

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4. TRANSACTIONS WITH THE MANAGER AND ITS CONNECTED PERSONS AND RELATED PARTY TRANSACTIONS (continued)

Holdings of the Sub-Fund (continued)

During the year ended 31 December 2019, the Manager made a subscription of HK\$10,879,439 of Class I (HKD) and a redemption of HK\$23,237,939 in Class I (HKD).

At 31 December 2019

	Units outstanding at 31 December 2018	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2019
CUAM China-Hong Kong Strategy Fund – Class I (HKD)	<u>10,522,847.870</u>	<u>510,843.725</u>	<u>1,028,454.914</u>	<u>10,005,236.681</u>

The holdings of Class I (USD) units of the Sub-Fund by the Manager as at 31 December 2020 were as follows:

During the year ended 31 December 2020, the Manager made a subscription of US\$1,265,134 in Class I (USD) and a redemption of US\$1,905,852 in Class I (USD).

At 31 December 2020

	Units outstanding at 31 December 2019	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2020
CUAM China-Hong Kong Strategy Fund – Class I (USD)	<u>-</u>	<u>1,253,849.673</u>	<u>1,253,849.673</u>	<u>-</u>

Brokerage commission

Bank of China (Hong Kong) Limited and BOCI Securities Limited, affiliates of the Trustee, rendered brokerage services for the Sub-Fund's purchases and sales of securities. During the year ended 31 December 2020, the transaction details were as follows:

2020

	Aggregate value of purchases and sales of securities HK\$	Total commission paid HK\$	% of Sub-Fund's total transactions during the year %	Average commission rate %
Bank of China (Hong Kong) Limited	<u>139,990,849</u>	<u>-</u>	<u>1.99%</u>	<u>-</u>

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4. TRANSACTIONS WITH THE MANAGER AND ITS CONNECTED PERSONS AND RELATED PARTY TRANSACTIONS (continued)

Brokerage commission (continued)

2020

	Aggregate value of purchases and sales of securities HK\$	Total commission paid HK\$	% of Sub-Fund's total transactions during the year %	Average commission rate %
BOCI Securities Limited	<u>109,706,485</u>	<u>109,673</u>	<u>1.56%</u>	<u>0.10%</u>

2019

	Aggregate value of purchases and sales of securities HK\$	Total commission paid HK\$	% of Sub-Fund's total transactions during the year %	Average commission rate %
Bank of China (Hong Kong) Limited	<u>75,917,184</u>	<u>-</u>	<u>7.65%</u>	<u>-</u>

Bank deposits and investments held by the Trustee's affiliates

The Sub-Fund's bank deposits and investments were held by the Trustee's affiliates, Bank of China (Hong Kong) Limited. Further details of the bank balances held are described in note 10 to the financial statements. During the year, interest income on these bank balances was HK\$27,962 (2019: HK\$15,858).

Management fee

The Manager is entitled to receive, on an annual basis, a management fee from the Sub-Fund, at a rate of 1.25% for Class A units and 0.75% for Class I units per annum (up to maximum of 3% per annum in total by giving not less than one month's prior notice to the unitholders) with respect to the net assets attributable to holders of redeemable units of each class of the Sub-Fund calculated and accrued on each dealing day and are paid monthly in arrears. For the year ended 31 December 2020, the management fee was HK\$13,601,674 (2019: HK\$4,068,298).

Trustee fee

The Trustee is entitled to receive, on an annual basis, a trustee fee from the Sub-Fund, at a rate of 0.15% per annum (up to maximum of 0.5% per annum by giving not less than one month's prior notice to the unitholders) of the net assets attributable to holders of redeemable units of the Sub-Fund calculated, subject to a minimum monthly fee of HK\$35,000, and accrued on each dealing day and is paid monthly in arrears. For the year ended 31 December 2020, the trustee fee was HK\$1,768,496 (2019: HK\$664,046).

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4. TRANSACTIONS WITH THE MANAGER AND ITS CONNECTED PERSONS AND RELATED PARTY TRANSACTIONS (continued)

Bank charges with a connected person of the Trustee

For the year ended 31 December 2020, the bank charges paid to Bank of China (Hong Kong) Limited, an affiliate company of the Trustee of the Sub-Fund was HK\$25,928 (2019: HK\$57,107).

Custodian fee

The Custodian is entitled to receive, on an annual basis, custodian fees from the Sub-Fund, at a rate up to 0.1% per annum of the net assets attributable to unitholders of the Sub-Fund calculated and is paid monthly in arrears. For the year ended 31 December 2020, the custodian fee was HK\$274,938 (2019: HK\$90,574).

Certain charges, fees and expenses borne by the Manager

Pursuant to the latest explanatory memorandum of the Sub-Fund, certain charges, fees and expenses which are attributable to the Sub-Fund are borne by the Manager at its discretion starting from 1 January 2014 until a future date as notified by the Manager. For the year ended 31 December 2020, the Manager bore and paid a total sum of HK\$932,767 (2019: HK\$462,083) for the Sub-Fund, of which certain fees such as transaction fee, scrip fee paid to the Custodian were HK\$101,865 (2019: HK\$44,591) and these were borne by the Manager.

As at 31 December 2020, the Sub-Fund has an amount due from the Manager of HK\$16,800 (2019: HK\$31,170) related to certain charges, fees and expenses borne by the Manager. The balance with the Manager is unsecured, interest-free and repayable on demand.

Investment handling fee

The Sub-Fund pays investment handling fee of HK\$100 per transaction to the Trustee. For the year ended 31 December 2020, the investment handling fee was HK\$40,300 (2019: HK\$15,300) and it was borne by the Manager.

5. INCOME TAX

Hong Kong

No provision for Hong Kong profits tax has been made for the Sub-Fund. The Sub-Fund is authorised by the SFC as a collective investment scheme pursuant to Section 104 of the SFO for offering to the retail public in Hong Kong. It is exempted from Hong Kong profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

PRC

Under PRC laws and regulations, foreign investors (such as the Sub-Fund) may be subject to a 10% withholding tax on income (such as dividend/interest and capital gains) imposed on securities issued by PRC tax resident enterprises.

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5. INCOME TAX (continued)

PRC (continued)

Withholding tax

A 10% PRC withholding tax is levied on dividend and interest derived by foreign investors from PRC companies which would have the obligation to withhold the tax on behalf of the foreign investors. As such, the issuers would have the obligation to withhold the tax on behalf of the Sub-Fund for the 10% withholding tax imposed on dividend and interest income. The Sub-Fund has recognised dividend income of listed equity securities. The withholding tax of listed equity securities for the year ended 31 December 2020 was HK\$320,421 (2019: HK\$359,292).

6. BROKERAGE COMMISSION AND TRANSACTION FEE

Broker commission pertain to the broker commission for every transaction made through the broker at the average market rate of 0.06% (2019: 0.046%) based on the transaction value. Transaction fee pertain to fees such as trading fee and transaction levy for every transaction made on the stock exchange and stamp duty incurred for the transactions.

7. DISTRIBUTION

According to the distribution policy as stated in the explanatory memorandum of the Sub-Fund, the Manager does not intend to make any distribution of income in respect of the Sub-Fund.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 HK\$	2019 HK\$
Listed equity securities	<u>1,291,435,150</u>	<u>488,488,817</u>
Net gains recognised in relation to financial assets at fair value through profit or loss:		
Realised gains	591,939,094	25,083,008
Net change in unrealised gains or losses	<u>213,433,692</u>	<u>75,030,080</u>
Net gains	<u>805,372,786</u>	<u>100,113,088</u>

As at 31 December 2020 and 2019, all the listed equity securities were classified as financial assets at fair value through profit or loss as they were held for trading.

The fair value of financial assets traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Fund is the last traded price or closing market price.

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The following table shows an analysis of the Sub-Fund's financial assets measured at fair value at 31 December 2020 and at 31 December 2019.

At 31 December 2020

	Quoted prices in active markets (Level 1) HK\$	Significant observable inputs (Level 2) HK\$	Significant unobservable inputs (Level 3) HK\$	Total HK\$
<u>Financial assets at fair value through profit or loss:</u>				
Listed equity securities	1,291,435,150	-	-	1,291,435,150
	<u>1,291,435,150</u>	<u>-</u>	<u>-</u>	<u>1,291,435,150</u>

At 31 December 2019

	Quoted prices in active markets (Level 1) HK\$	Significant observable inputs (Level 2) HK\$	Significant unobservable inputs (Level 3) HK\$	Total HK\$
<u>Financial assets at fair value through profit or loss:</u>				
Listed equity securities	488,488,817	-	-	488,488,817
	<u>488,488,817</u>	<u>-</u>	<u>-</u>	<u>488,488,817</u>

There are no investments classified within Level 3 and no transfers of fair value measurements between Level 1 and Level 2 during the years ended 31 December 2020 and 31 December 2019.

Valuation techniques

Listed equity securities

When fair values of listed equity securities at the reporting date are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy. The Sub-Fund values these investments at last traded prices or closing market prices.

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9. AMOUNT DUE FROM/TO BROKER

	2020 HK\$	2019 HK\$
Amount due from broker		
- receivables for securities sold but not yet settled	<u>-</u>	<u>1,449,020</u>
Amount due to broker		
- payables for securities purchased but not yet settled	<u>57,028,910</u>	<u>1,967</u>

The carrying amounts of amounts due from and to broker are approximate to their fair value.

10. CASH AND BANK BALANCES

The cash at banks held with the Custodian of the Sub-Fund, was placed into accounts bearing floating interest.

11. DETAILS ON UNITS

The following is the number of units in issue and net assets attributable to unitholders per unit of the Sub-Fund as at 31 December 2020 and 2019:

Number of units in issue	Class A	Class A	Class A	Class I	Class I
	(HKD) units	(RMB) units	(USD) units	(HKD) units	(USD) units
At 31 December 2020	15,320,499.066	909,551.060	18,631,506.396	13,353,658.371	3,751,884.536
At 31 December 2019	11,436,489.164	100,708.368	5,676,123.898	12,382,481.445	810,000.000
Net assets attributable to unitholders per unit					
	HK\$	RMB	US\$	HK\$	US\$
At 31 December 2020	24.897	19.902	2.526	41.411	1.816
At 31 December 2019	13.839	11.786	1.398	22.905	1.000

Unitholders of the Sub-Fund who wish to redeem their redeemable participating units may do so on any dealing day, i.e. every Hong Kong business day of the calendar year, by submitting a realisation request to the Manager or authorised distributors before the dealing deadline, i.e. 4:00 p.m. (Hong Kong time) on the relevant dealing day. Unless otherwise stated in the explanatory memorandum of the Sub-Fund, realisation requests received after the dealing deadline will be carried forward and dealt with on the next dealing day.

The Manager may suspend the redemption or conversions of redeemable participating units or delay the payment of redemption proceeds during any periods in which the determination of the net asset value of the Sub-Fund is suspended under certain conditions as set out in the explanatory memorandum of the Sub-Fund.

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11. DETAILS ON UNITS (continued)

With a view to protecting the interests of unitholders, the Manager is entitled, after consultation with the Trustee, to limit the number of units of any Sub-Fund redeemed on any dealing day to 10% of the total number of units of the relevant Sub-Fund in issue. In this event, the limitation will apply pro rata so that all unitholders of the Sub-Fund who have validly requested to redeem units of the Sub-Fund on that dealing day will redeem the same proportion of such units of the Sub-Fund provided that any holdings so requested to be realised being in aggregate of not more than 1% of the total number of units of any Sub-Fund in issue may be realised in full if in the opinion of the Manager after consultation with the Trustee, the application of such limitation would be unduly onerous or unfair to the unitholder or unitholders concerned. Any units not realised (but which would otherwise have been realised) will be carried forward for realisation, subject to the same limitation, and will have priority on the next succeeding dealing day and all following dealing days (in relation to which the Manager has the same power) until the original request has been satisfied in full.

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

Risk management

Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring. The Manager is responsible for identifying and controlling risks. In perspective of risk management, the Sub-Fund's objective is to create and protect value for unitholders.

The Sub-Fund is exposed to market risk (which includes equity price risk, interest rate risk and foreign exchange risk), credit and counterparty risk and liquidity risk arising from the financial instruments it holds.

Market risk

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

The maximum credit risk resulting from financial instruments approximate their carrying amounts.

The Sub-Fund assumes market risk in trading activities. The Sub-Fund distinguishes market risk as follows:

- Equity price risk
- Interest rate risk
- Foreign exchange risk

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

Risk management (continued)

Market risk (continued)

Equity 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, either caused by factors specific to the individual instrument or factors affecting all instruments in the market. The Sub-Fund is exposed to equity price risk as changes in prices of equity instruments of its investments will affect its net asset value. Equity price risk can be mitigated by constructing a diversified portfolio of investment across different issuers, different sectors or traded on different markets by the investment strategies of investment manager.

Management's estimation of the effect on changes in net assets attributable to unitholders for the period due to a reasonably possible change in in the applicable equity index, MSCI China Index¹, which is an internally predetermined reference for equity investment of the Sub-Fund, with all other variables held constant, is indicated in the table below. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material.

	Change in equity prices	Effect on net assets attributable to unitholders and on changes in net assets attributable to unitholders for the year HK\$/Unit
At 31 December 2020		
MSCI China Index ¹	±5%	+1.9465
At 31 December 2019		
MSCI China Index ¹	±5%	±1.0943

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

The Manager considers that the Sub-Fund is not subject to significant risk due to fluctuations in the prevailing level of market interest rate. As the Sub-Fund does not hold any interest bearing financial assets through profit or loss other than cash as at 31 December 2020, the Manager considers that changes in the fair value of the investment portfolio of the Sub-Fund in the event of a change in market interest rates will not be material. Therefore, no sensitivity analysis of the investment portfolio of the Sub-Fund is presented.

¹ The index is for reference only, not for benchmark

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31 December 2020

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

Risk management (continued)

Market risk (continued)

Foreign exchange risk

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

The table below summarises the Sub-Fund's assets and liabilities, which are exposed to foreign exchange risk as at the end of the reporting period:

	2020	2019
	HK\$	HK\$
Renminbi	748,378,058	96,490,909

The table below presents the change in net asset value of the Sub-Fund due to a reasonably possible change by 5% in key exchange rates, with all other variables held constant. The Manager has used its view of what would be a reasonable possible shift in the exchange rates to estimate the change in this sensitivity analysis. However, this does not represent a prediction of the future movement in the markets. Changes below are shown in absolute terms, and the impacts could be positive or negative: Possible changes in interest rate are revised annually depending on the Manager's current view of market volatility and other relevant factors

	Possible reasonable shift	2020	2019
	+/-	HK\$	HK\$
	+/-	+/-	+/-
Renminbi	5%	37,418,903	4,824,545

Liquidity risk

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Sub-Fund could be required to pay its liabilities or redeem its units earlier than expected. The Sub-Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holder's option based on the Sub-Fund's net asset value per unit at the time of redemption, calculated in accordance with the Sub-Fund's Trust Deed. It is the Sub-Fund's policy that the Manager monitors the Sub-Fund's liquidity position on a daily basis.

The table below summarises the maturity profile of Sub-Fund's financial liabilities at the end of the reporting period based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Sub-Fund's financial assets (undiscounted where appropriate) in order to provide a complete view of the Sub-Fund's contractual commitments and liquidity.

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

Risk management (continued)

Liquidity risk (continued)

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Sub-Fund can be required to pay.

Financial assets

Analysis of equity securities at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

At 31 December 2020

	On demand HK\$	Less than 3 months HK\$	Others* HK\$	Total HK\$
<u>Financial assets</u>				
Financial assets at fair value				
through profit or loss	-	1,291,435,150	-	1,291,435,150
Dividend receivables	-	160	-	160
Due from the Manager	-	16,800	-	16,800
Subscription proceeds receivable	-	14,278,716	-	14,278,716
Cash and bank balances	<u>136,836,556</u>	<u>-</u>	<u>-</u>	<u>136,836,556</u>
Total financial assets	<u><u>136,836,556</u></u>	<u><u>1,305,730,826</u></u>	<u><u>-</u></u>	<u><u>1,442,567,382</u></u>
<u>Financial liabilities</u>				
Management fee payable	-	1,411,888	-	1,411,888
Trustee fee payable	-	186,718	-	186,718
Amount due to broker	-	57,028,910	-	57,028,910
Other payables and accruals	-	240,327	-	240,327
Redemption proceeds payable	-	9,994,873	-	9,994,873
Net assets attributable to unitholders*	<u>-</u>	<u>-</u>	<u>1,373,711,041</u>	<u>1,373,711,041</u>
Total financial liabilities	<u><u>-</u></u>	<u><u>68,862,716</u></u>	<u><u>1,373,711,041</u></u>	<u><u>1,442,573,757</u></u>

* As detailed in the explanatory memorandum of the Sub-Fund, the redeemable participating units might be subject to redemption restrictions.

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

Risk management (continued)

Liquidity risk (continued)

At 31 December 2019

	On demand HK\$	Less than 3 months HK\$	Others*	Total HK\$
<u>Financial assets</u>				
Financial assets at fair value				
through profit or loss	-	488,488,817	-	488,488,817
Dividend receivables	-	135,000	-	135,000
Due from the Manager	-	31,170	-	31,170
Amount due from broker	-	1,449,020	-	1,449,020
Subscription proceeds receivable	-	8,159,280	-	8,159,280
Cash and bank balances	13,792,573	-	-	13,792,573
Total financial assets	<u>13,792,573</u>	<u>498,263,287</u>	<u>-</u>	<u>512,055,860</u>
Financial liabilities				
Management fee payable	-	413,437	-	413,437
Trustee fee payable	-	64,859	-	64,859
Amount due to broker	-	1,967	-	1,967
Other payables and accruals	-	15,150	-	15,150
Redemption proceeds payable	-	251,121	-	251,121
Net assets attributable to unitholders*	<u>-</u>	<u>-</u>	<u>511,315,701</u>	<u>511,315,701</u>
Total financial liabilities	<u>-</u>	<u>746,534</u>	<u>511,315,701</u>	<u>512,062,235</u>

* As detailed in the explanatory memorandum of the Sub-Fund, the redeemable participating units might be subject to redemption restrictions.

Credit and counterparty risk

The Sub-Fund is exposed to credit risk, which is the risk that the counterparty to a financial instrument will cause a financial loss for the Sub-Fund by failing to discharge an obligation.

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

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

Risk management (continued)

Credit and counterparty risk (continued)

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits and assets held with the custodian. The table below summarises the Sub-Fund's assets placed with banks and the custodian and their related credit ratings from Standard & Poor's ("S&P"):

At 31 December 2020

	HK\$	Credit rating	Source of credit rating
Bank			
Bank of China (Hong Kong) Limited	136,836,556	A+	S&P
Custodian			
Bank of China (Hong Kong) Limited	1,291,435,150	A+	S&P

At 31 December 2019

	HK\$	Credit rating	Source of credit rating
Bank			
Bank of China (Hong Kong) Limited	13,792,573	A+	S&P
Custodian			
Bank of China (Hong Kong) Limited	488,488,817	A+	S&P

The Sub-Fund's maximum exposure to credit risk at the end of the reporting period is the carrying amount of total assets as shown on the statement of financial position.

The Manager considers that none of these assets are impaired nor past due as at 31 December 2020 and 31 December 2019.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

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

Risk management (continued)

Credit and counterparty risk (continued)

Financial assets subject to expected credit loss

The Sub-Fund's financial assets subject to the expected credit loss model within HKFRS 9 are only dividend receivables, due from the Manager, amount due from broker, subscription proceeds receivables and cash and bank balances. As at 31 December 2020, the total of dividend receivables, due from the Manager, amount due from broker, subscription proceeds receivables and cash and bank balances was HK\$151,132,232 (2019: HK\$23,567,043) on which no loss allowance had been provided. No amount (2019: Nil) was considered credit impaired at the end of the reporting period.

In calculating the loss allowance, a provision matrix has been used based on historical observed loss rates over the expected life of the receivables adjusted for forward-looking estimates. Items have been grouped by their nature into the following categories: dividend receivables, due from the Manager, amount due from broker, subscription proceeds receivables and cash and bank balances. All the Sub-Fund's cash and bank balances are held in major financial institutions located in Hong Kong, which the Manager believes are of high credit quality. The Manager considers the Sub-Fund is not exposed to significant credit risk and no loss allowance (2019: Nil) has been made.

Maximum exposure and year-end staging as at 31 December 2020

The table below shows the credit quality and the maximum exposure to credit risk based on the Sub-Fund's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2020.

	<u>12-month expected credit losses</u>	<u>Lifetime expected credit losses</u>			Simplified approach	Total
	Stage 1 HK\$	Stage 2 HK\$	Stage 3 HK\$	approach HK\$	HK\$	
Financial assets						
Cash and bank balances						
- Not yet past due	136,836,556	-	-	-	136,836,556	
Dividend receivables						
- Not yet past due	160	-	-	-	160	
Due from the Manager						
- Not yet past due	16,800	-	-	-	16,800	
Subscription proceeds receivable						
- Not yet past due	<u>14,278,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,278,716</u>	
Total	<u>151,132,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,132,232</u>	

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

Risk management (continued)

Credit and counterparty risk (continued)

Financial assets subject to expected credit loss (continued)

Maximum exposure and year-end staging as at 31 December 2019

The table below shows the credit quality and the maximum exposure to credit risk based on the Sub-Fund's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2019.

	<u>12-month expected credit losses</u>	<u>Lifetime expected credit losses</u>			Simplified approach	Total
	Stage 1 HK\$	Stage 2 HK\$	Stage 3 HK\$	HK\$	HK\$	
Financial assets						
Cash and bank balances						
- Not yet past due	13,792,573	-	-	-	13,792,573	
Dividend receivables						
- Not yet past due	135,000	-	-	-	135,000	
Due from the Manager						
- Not yet past due	31,170	-	-	-	31,170	
Amount due from broker						
- Not yet past due	1,449,020	-	-	-	1,449,020	
Subscription proceeds receivable						
- Not yet past due	<u>8,159,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,159,280</u>	
Total	<u><u>23,567,043</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>23,567,043</u></u>	

Financial assets not subject to expected credit loss

The Sub-Fund is exposed to credit risk on equity securities. This class of financial assets are not subject to HKFRS 9's impairment requirements as these are measured at FVPL. The carrying value of these assets, under HKFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

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NOTES TO THE FINANCIAL STATEMENTS

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

Capital management

The Sub-Fund's objectives for managing capital are to invest the capital in investments in order to achieve its investment objective while maintaining sufficient liquidity to meet the expenses of the Sub-Fund, and to meet redemption requests as they arise.

13. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons may enter into soft commission arrangements with brokers under which certain goods and services used to support investment decision making will be received. The Manager and its connected persons will not make direct payment for these services but will transact an agreed amount of business with the brokers on behalf of the Sub-Fund and commission will be paid on these transactions.

The goods and services must be of demonstrable benefit to the Sub-Fund and may include research and advisory services, computer hardware associated with specialised software or research services and performance insurance.

During the year ended 31 December 2020, no commission rebates was received by the Manager (2019: Nil).

14. EVENTS AFTER THE REPORTING PERIOD

During the period from 1 January 2021 to 27 April 2021, the Sub-Fund has received a total subsequent subscription of US\$55,298,948, HK\$546,289,757, RMB14,510,257 and redemption of US\$13,664,780, HK\$184,185,989 and RMB2,689,317, respectively.

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee and the Manager on 28 April 2021.

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UNAUDITED INVESTMENT PORTFOLIO

31 December 2020

	Holdings	Fair Value HK\$	% of net assets
<u>LISTED EQUITY SECURITIES</u>			
Mainland China			
Denominated in RMB			
CHINA INTL TRAVEL SERVICE CORP LTD-A	374,904	126,166,609	9.18
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	189,901	79,442,559	5.78
HUNDSUN TECHNOLOGIES INC-A	965,378	120,657,872	8.78
KWEICHOW MOUTAI CO LTD-A	53,920	128,359,538	9.34
MIDEA GROUP CO LTD-A	93	10,908	0.00
SHENZHEN KANGTAI BIOLOGICAL PRODUCTS CO LTD-A	540,991	112,478,172	8.19
WULIANGYE YIBIN CO LTD-A	346,256	120,403,686	8.76
Hong Kong			
Denominated in HK\$			
AIA GROUP LTD	1,293,000	122,835,000	8.94
AKESO INC	440,000	16,720,000	1.22
ALIBABA GROUP HLDG LTD	60	13,956	0.00
CHINA MERCHANTS BANK CO LTD-H	1,056,500	51,768,500	3.77
INNOVENT BIOLOGICS INC (B)	378,000	31,014,900	2.26
JD.COM INC	374,500	128,079,000	9.32
LIFESTYLE CHINA GROUP LTD	4,551,000	4,778,550	0.35
REMEGEN CO LTD-H	225,000	21,375,000	1.56
TENCENT HLDGS LTD	227,400	128,253,600	9.35
VENUS MEDTECH HANGZHOU INC-H	226,000	17,865,300	1.30
WUXI BIOLOGICS CAYMAN INC	790,000	81,212,000	5.91
TOTAL LISTED/QUOTED INVESTMENTS		<u>1,291,435,150</u>	<u>94.01</u>
TOTAL INVESTMENTS, AT COST		<u>1,006,247,259</u>	
<u>TOTAL NET ASSETS</u>			
Total investment		1,291,435,150	94.01
Other net assets		<u>82,275,891</u>	<u>5.99</u>
Total net assets		<u>1,373,711,041</u>	<u>100.00</u>

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UNAUDITED STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

31 December 2020

Listed equities	Movements				Holdings At 31 December 2020
	Holdings At 1 January 2020	Additions	Bonus/ Dividend	Disposals	
Mainland China					
Denominated in RMB					
AIER EYE HOSPITAL GROUP CO LTD- A	-	1,272,975	105,137	(1,378,112)	-
CHANGCHUN HIGH & NEW TECHNOLOGY INDUSTRIES (GROUP) INC-A	-	148,004	44,000	(192,004)	-
CHINA INTL TRAVEL SERVICE CORP LTD-A	-	918,904		(544,000)	374,904
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	-	189,901	-	-	189,901
GREE ELECTRIC APPLIANCES INC-A	346,971	-	-	(346,971)	-
HUNDSUN TECHNOLOGIES INC-A	-	1,712,778	-	(747,400)	965,378
JIANGSU HENGRUI MEDICINE CO LTD-A	-	799,915	-	(799,915)	-
KWEICHOW MOUTAI CO LTD-A	35,108	95,012	-	(76,200)	53,920
MIDEA GROUP CO LTD-A	157,413	299,962	-	(457,282)	93
OFFCN EDUCATION TECHNOLOGY CO LTD-A	-	1,849,960	-	(1,849,960)	-
SHENZHEN KANGTAI BIOLOGICAL PRODUCTS CO LTD-A	-	1,587,312	-	(1,046,321)	540,991
SONGCHENG PERFORMANCE DEVELOPMENT CO LTD-A	-	7,499,906	-	(7,499,906)	-
WANHUA CHEMICAL GROUP CO LTD-A	-	699,992	-	(699,992)	-
WULIANGYE YIBIN CO LTD-A	69,954	856,456	-	(580,154)	346,256
Hong Kong					
Denominated in HK\$					
AGRICULTURAL BANK OF CHINA LTD-H	3,656,000	-	-	(3,656,000)	-
AIA GROUP LTD	118,000	1,668,000	-	(493,000)	1,293,000
AKESO INC	-	720,000	-	(280,000)	440,000
ALIBABA GROUP HLDG LTD	231,760	464,500	-	(696,200)	60
ALPHAMAB ONCOLOGY	1,069,000	-	-	(1,069,000)	-
BOSIDENG INTL HLDGS LTD	4,500,000	-	-	(4,500,000)	-
CANSINO BIOLOGICS INC-H	732,800	-	-	(732,800)	-
CHINA CONSTRUCTION BANK CORP- H	3,128,000	-	-	(3,128,000)	-

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UNAUDITED STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (continued)

31 December 2020

Listed equities (continued)	Movements				Holdings At 31 December 2020
	Holdings At 1 January 2020	Additions	Bonus/ Dividend	Disposals	
Hong Kong (continued)					
Denominated in HK\$					
CHINA MERCHANTS BANK CO LTD-H	860,500	2,159,500	-	(1,963,500)	1,056,500
CHINA RESOURCES LAND LTD	568,000	-	-	(568,000)	-
CHINA YUHUA EDUCATION CORP LTD	-	5,000,000	-	(5,000,000)	-
EVER SUNSHINE LIFESTYLE SERVICES GROUP LTD	-	3,280,000	-	(3,280,000)	-
HONG KONG EXCHANGES & CLEARING LTD	98,800	225,200	-	(324,000)	-
INNOVENT BIOLOGICS INC (B)	-	3,100,000	-	(2,722,000)	378,000
JD.COM INC	-	630,500	-	(256,000)	374,500
JW CAYMAN THERAPEUTICS CO LTD	-	2,630,000	-	(2,630,000)	-
KOOLEARN TECHNOLOGY HLDG LTD	-	980,000	-	(980,000)	-
KWG GROUP HLDGS LTD	-	300,000	-	(300,000)	-
LIFESTYLE CHINA GROUP LTD	4,704,000	-	-	(153,000)	4,551,000
LOGAN GROUP CO LTD	-	1,180,000	-	(1,180,000)	-
MEITUAN-CLASS B	-	213,000	-	(213,000)	-
PETROCHINA CO LTD-H	-	6,240,000	-	(6,240,000)	-
PHARMARON BEIJING CO LTD-H	-	238,000	-	(238,000)	-
PING AN INSURANCE GROUP CO OF CHINA LTD-H	110,000	-	-	(110,000)	-
REMEGEN CO LTD-H	-	356,000	-	(131,000)	225,000
SHIMAO GROUP HLDGS LTD	-	900,000	-	(900,000)	-
SINOTRUK (HONG KONG) LTD	-	3,280,000	-	(3,280,000)	-
SUN HUNG KAI PROPERTIES LTD	175,500	-	-	(175,500)	-
TENCENT HLDGS LTD	118,800	396,600	-	(288,000)	227,400
TIANLI EDUCATION INTL HLDGS LTD	-	5,000,000	-	(5,000,000)	-
TONG REN TANG TECHNOLOGIES CO LTD-H	497,000	-	-	(497,000)	-
VENUS MEDTECH HANGZHOU INC-H	-	875,000	-	(649,000)	226,000
WEICHAI POWER CO LTD-H	-	1,280,000	-	(1,280,000)	-
WUXI APPTec CO LTD-H	108,000	923,000	87,200	(1,118,200)	-
WUXI BIOLOGICS CAYMAN INC	278,000	785,000	1,720,000	(1,993,000)	790,000
YIHAI INTL HLDG LTD	-	858,000	-	(858,000)	-

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UNAUDITED STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (continued)

31 December 2020

	Movements				Holdings At 31 December 2020
	Holdings At 1 January 2020	Additions	Bonus/ Dividend	Disposals	
Listed equities (continued)					
United States					
Denominated in US\$					
ACM RESEARCH INC-CL A	-	80,000	-	(80,000)	-
GSX TECHEDU INC-SPONSORED ADR	-	139,300	-	(139,300)	-
NEW ORIENTAL EDUCATION & TECHNOLOGY-ADR	8,800	-	-	(8,800)	-
TAL EDUCATION GROUP-ADR	41,021	55,000	-	(96,021)	-
Treasury bills					
Hong Kong					
Denominated in HK\$					
HONG KONG T-BILLS 0% A 06MAY2020	-	105,000,000	-	(105,000,000)	-
HONG KONG T-BILLS 0% A 08APR2020	-	33,000,000	-	(33,000,000)	-
HONG KONG T-BILLS 0% A 13MAY2020	-	43,000,000	-	(43,000,000)	-
HONG KONG T-BILLS 0% A 15APR2020	-	65,000,000	-	(65,000,000)	-
HONG KONG T-BILLS 0% A 22APR2020	-	50,000,000	-	(50,000,000)	-
HONG KONG T-BILLS 0% A 27MAY2020	-	32,000,000	-	(32,000,000)	-
HONG KONG T-BILLS 0% A 29APR2020	-	72,000,000	-	(72,000,000)	-

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UNAUDITED PERFORMANCE TABLE

31 December 2020

1. NET ASSET VALUE

	Net assets value per unit			Total net asset value		
	HK\$	US\$	RMB	HK\$	US\$	RMB
As at 31 December 2020						
- Class A (HKD) units	24.897	-	-	381,440,977	-	-
- Class A (RMB) units	-	-	19.902	-	-	18,101,513
- Class A (USD) units	-	2.526	-	-	47,066,867	-
- Class I (HKD) units	41.411	-	-	552,991,797	-	-
- Class I (USD) units	-	1.816	-	-	6,812,880	-
As at 31 December 2019						
- Class A (HKD) units	13.839	-	-	158,267,801	-	-
- Class A (RMB) units	-	-	11.786	-	-	1,186,905
- Class A (USD) units	-	1.398	-	-	7,936,147	-
- Class I (HKD) units	22.905	-	-	283,616,677	-	-
- Class I (USD) units	-	1.000	-	-	810,000	-
As at 31 December 2018						
- Class A (HKD) units	10.942	-	-	83,445,194	-	-
- Class A (RMB) units	-	-	9.001	-	-	360,043
- Class A (USD) units	-	1.099	-	-	2,608,080	-
- Class I (HKD) units	18.020	-	-	255,592,542	-	-

2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT

	Highest subscription unit price			Lowest redemption unit price		
	HK\$	US\$	RMB	HK\$	US\$	RMB
During the year ended 31 December 2020						
- Class A (HKD) units	24.897	-	-	11.836	-	-
- Class A (RMB) units	-	-	19.902	-	-	10.390
- Class A (USD) units	-	2.526	-	-	1.200	-
- Class I (HKD) units	41.411	-	-	19.611	-	-
- Class I (USD) units	-	1.816	-	-	0.859	-
During the year ended 31 December 2019						
- Class A (HKD) units	13.953	-	-	10.730	-	-
- Class A (RMB) units	-	-	11.915	-	-	8.837
- Class A (USD) units	-	1.410	-	-	1.078	-
- Class I (HKD) units	23.093	-	-	17.671	-	-
- Class I (USD) units	-	1.000	-	-	1.000	-

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UNAUDITED PERFORMANCE TABLE (continued)

31 December 2020

2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT (continued)

	Highest subscription unit price			Lowest subscription unit price		
	HK\$	US\$	RMB	HK\$	US\$	RMB
During the year ended 31 December 2018						
- Class A (HKD) units	14.740	-	-	10.619	-	-
- Class A (RMB) units	-	-	11.228	-	-	8.830
- Class A (USD) units	-	1.483	-	-	1.065	-
- Class I (HKD) units	24.162	-	-	17.473	-	-
During the year ended 31 December 2017						
- Class A (HKD) units	13.387	-	-	7.906	-	-
- Class A (RMB) units	-	-	10.000	-	-	10.000
- Class A (USD) units	-	1.349	-	-	1.000	-
- Class I (HKD) units	21.925	-	-	12.892	-	-
During the year ended 31 December 2016						
- Class A (HKD) units	8.544	-	-	5.849	-	-
- Class A (RMB) units	-	-	-	-	-	-
- Class A (USD) units	-	-	-	-	-	-
- Class I (HKD) units	13.914	-	-	9.495	-	-
During the year ended 31 December 2015						
- Class A (HKD) units	10.331	-	-	6.670	-	-
- Class A (RMB) units	-	-	-	-	-	-
- Class A (USD) units	-	-	-	-	-	-
- Class I (HKD) units	16.712	-	-	10.803	-	-
During the year ended 31 December 2014						
- Class A (HKD) units	-	-	-	-	-	-
- Class A (RMB) units	-	-	-	-	-	-
- Class A (USD) units	-	-	-	-	-	-
- Class I (HKD) units	13.323	-	-	11.059	-	-
For the period from 16 November 2012 (date of inception) to 31 December 2013						
- Class A (HKD) units	-	-	-	-	-	-
- Class A (RMB) units	-	-	-	-	-	-
- Class A (USD) units	-	-	-	-	-	-
- Class I (HKD) units	12.268	-	-	9.972	-	-