

ChinaAMC Select Fund

# ChinaAMC Select Money Market Fund

Annual Report

For the year ended  
31 December 2023



华夏基金  
ChinaAMC

ANNUAL REPORT

CHINAAMC SELECT MONEY MARKET FUND  
(a sub-fund of ChinaAMC Select Fund, an open-ended  
unit trust established as an umbrella fund under the  
laws of Hong Kong)

For the year ended 31 December 2023

CHINAAMC SELECT MONEY MARKET FUND  
(a sub-fund of ChinaAMC Select Fund)

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**IMPORTANT:**

Any opinion expressed herein reflects the Manager's view only and are subject to change. For more information about the fund, please refer to the explanatory memorandum of the fund which is available at our website:

<https://www.chinaamc.com.hk/product/chinaamc-select-money-market-fund/>

Investors should not rely on the information contained in this report for their investment decisions.

CHINAAMC SELECT MONEY MARKET FUND  
(a sub-fund of ChinaAMC Select Fund)

ADMINISTRATION AND MANAGEMENT

**MANAGER**

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

**DIRECTORS OF THE MANAGER**

Li Yimei  
Sun Liqiang  
Gan Tian  
Li Fung Ming  
Yang Kun (appointed on 30 May 2023)

**LEGAL ADVISER TO THE MANAGER**

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

**TRUSTEE, ADMINISTRATOR AND REGISTRAR**

BOCI-Prudential Trustee Limited  
Suites 1501-1507 & 1513-1516, 15/F  
1111 King's Road  
Taikoo Shing, Hong Kong

**AUDITOR**

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

**CUSTODIAN**

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

CHINAAMC SELECT MONEY MARKET FUND  
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REPORT OF THE MANAGER TO THE UNITHOLDERS

Looking back at 2023, after completing a full cycle of interest rate hikes, the market repeatedly sparked discussions about a soft landing for the U.S. economy and a gradual decline in inflation to 2%, raising hopes of declining interest rates. However, these aspirations were repeatedly dampened, and the market fluctuated like a roller coaster. Despite a brief decline in risk appetite due to the banking crisis in March, the resilience of the U.S. economy surpassed expectations, leading to a rebound in overall risk assets. In terms of major asset classes, the categories that underperformed in 2022 took the lead in 2023, with equity and fixed income assets performing well in most regions. The outstanding performance of large-cap tech stocks drove the U.S. stock market higher, while commodities lagged behind. As for U.S. bond yields, they maintained high volatility throughout the year, with slight increases across different maturities compared to the beginning of the year. In terms of credit spreads, the first half of the year saw a negative correlation with U.S. bond yields, which turned positive again in the second half. China investment-grade bond and U.S. investment-grade bond indices witnessed a 40bp and 30bp tightening in credit spreads, respectively, remaining relatively narrow throughout the year. The performance of Chinese investment-grade bonds and high-yield bonds continued to diverge. Meanwhile, in the backdrop of elevated risk-free interest rates throughout the year, money market funds, whether denominated in Hong Kong dollars or U.S. dollars, were the most popular choices in the investment market last year.

Looking ahead to this year, the complex and ever-changing macroeconomic environment is expected to persist, with structural inflation and policy interest rates likely to remain relatively high for some time. Rising interest costs and economic slowdown will exert pressure on government debt expansion. This year, we need to pay special attention to stagflation risks. If geopolitical conflicts drive commodity price increases, inflation rebounds, or interest rates remain high for an extended period, we should also be vigilant about the risk of a deep recession. A black swan event could trigger a nonlinear and rapid economic downturn in the United States, causing credit spreads to widen at any time. Additionally, we need to be mindful of liquidity risks, as liquidity shortages in small and medium-sized banks, coupled with a decrease in overall social credit supply, may lead to potential disruptions in the five-link transmission mechanism of the Federal Reserve's interest rate policy.

Amidst the various and complex sources of uncertainty, the high returns in the short-term money market are relatively certain factors. At least in the first half of this year, US dollar money market funds will continue to thrive, while the attractiveness of Hong Kong dollar money market funds may persist throughout the year. Although interest rate cuts have yet to materialize, the downward trend of short-term interest rates is a relatively certain factor, and we should take a more proactive approach in adjusting duration positions. When it comes to credit selection, we need to exercise greater caution and consider more options, including globally diversified investment-grade bonds, to maintain a balanced and stable asset allocation.

China Asset Management (Hong Kong) Limited  
25 April 2024

CHINAAMC SELECT MONEY MARKET FUND  
(a sub-fund of ChinaAMC Select Fund)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager, China Asset Management (Hong Kong) Limited, has, in all material respects, managed ChinaAMC Select Money Market Fund (a sub-fund of ChinaAMC Select Fund) for the year ended 31 December 2023 in accordance with the provisions of the trust deed dated 12 January 2012, as amended or supplemented from time to time.

On behalf of  
BOCI-Prudential Trustee Limited, the Trustee

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25 April 2024

**Independent auditor's report  
To the unitholders of  
ChinaAMC Select Money Market Fund**

(A sub-fund of ChinaAMC Select Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of ChinaAMC Select Money Market Fund (a sub-fund of ChinaAMC Select Fund (the "Trust") and referred to as the "Sub-Fund") set out on pages 7 to 37, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standard Board(IASB).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Accounting Standard Board(IASB). 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 *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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 unitholders of**

**ChinaAMC Select Money Market Fund**

(A sub-fund of ChinaAMC Select Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

**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 IFRSs issued by IASB, and for such internal control as the Manager and the Trustee determine are 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 disclosure provisions of the trust deed dated 12 January 2012 as amended or supplemented from time to time (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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.



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

**To the unitholders of**

**ChinaAMC Select Money Market Fund**

(A sub-fund of ChinaAMC Select Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

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

- 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  
25 April 2024

CHINAAMC SELECT MONEY MARKET FUND  
(a sub-fund of ChinaAMC Select Fund)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Notes	2023 HKD	2022 HKD
<b>INCOME</b>			
Interest income on financial assets at fair value through profit or loss		608,712	100,720
Interest income on bank deposits		47,785,000	2,977,809
		<u>48,393,712</u>	<u>3,078,529</u>
<b>EXPENSES</b>			
Management fee	3(a)	( 1,769,967)	( 113,562)
Trustee fee	3(b)	( 731,676)	( 114,554)
Custodian fee and bank charges	3(c)	( 63,593)	( 29,213)
Auditors' remuneration		( 137,091)	( 137,118)
Transaction handling fee	3(d)	( 101,600)	( 33,800)
Legal and professional fees		( 5,501)	( 10,960)
Other expenses		( 401,515)	( 39,772)
		<u>( 3,210,943)</u>	<u>( 478,979)</u>
Less: Reimbursement of expenses by the Manager	3(h)	819,287	358,944
		<u>(2,391,656)</u>	<u>( 120,035)</u>
<b>PROFIT BEFORE INVESTMENT LOSSES AND EXCHANGE DIFFERENCES</b>		<b>46,002,056</b>	<b>2,958,494</b>
<b>INVESTMENT (GAINS)/LOSSES AND EXCHANGE DIFFERENCES</b>			
Net (gains)/losses on financial assets and liabilities at fair value through profit or loss		100	( 12,881)
Foreign exchange differences		474	( 47,920)
		<u>574</u>	<u>( 60,801)</u>
<b>NET INVESTMENT (GAINS)/LOSSES AND EXCHANGE DIFFERENCES</b>		<b>574</b>	<b>( 60,801)</b>
<b>PROFIT BEFORE TAX</b>		<b>46,002,630</b>	<b>2,897,693</b>
Income tax	5	-	-
		<u>-</u>	<u>-</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b>46,002,630</b>	<b>2,897,693</b>
		<u>46,002,630</u>	<u>2,897,693</u>

CHINAAMC SELECT MONEY MARKET FUND  
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STATEMENT OF FINANCIAL POSITION

31 December 2023

	Notes	2023 HKD	2022 HKD
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	6	11,987,450	-
Time deposits	7	973,223,110	59,002,209
Interest receivables		20,373,415	1,171,451
Amount due from Manager	3(h)	756,284	127,210
Prepayments		97	7,118
Cash and cash equivalents	7	2,704,619,265	174,573,359
<b>TOTAL ASSETS</b>		<u>3,710,959,621</u>	<u>234,881,347</u>
<b>LIABILITIES</b>			
Management fee payable	3(a)	1,246,968	82,987
Trustee fee payable	3(b)	217,525	14,671
Accrued expenses and other payables		287,766	274,198
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>1,752,259</u>	<u>371,856</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	8	<u>3,709,207,362</u>	<u>234,509,491</u>
<b>TOTAL LIABILITIES</b>		<u>3,710,959,621</u>	<u>234,881,347</u>

CHINAAMC SELECT MONEY MARKET FUND  
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2023

	Number of Units	HKD
At 1 January 2022	11,415,567.61	128,412,936
Subscription of units		
– Class I HKD	3,811,879.12	38,897,005
– Class I USD	10,088.78	784,745
– Class A HKD	24,664,818.77	249,120,543
	<u>28,486,786.67</u>	<u>288,802,293</u>
Redemption of units		
– Class I HKD	( 3,618,766.36)	( 36,813,362)
– Class I USD	( 160,417.71)	( 12,585,272)
– Class A HKD	(13,465,085.68)	(136,204,797)
	<u>(17,244,269.75)</u>	<u>(185,603,431)</u>
Increase in net asset attributable to unitholders	-	2,897,693
At 31 December 2022 and 1 January 2023	<u>22,658,083.53</u>	<u>234,509,491</u>
Subscription of units		
– Class I HKD	95,458,096.34	1,012,921,301
– Class A HKD	292,520,171.42	3,063,568,085
– Class B HKD	11,913,084.62	120,434,652
– Class F HKD	173,298,150.45	1,789,018,473
– Class S HKD	1,000.00	10,000
– Class H HKD	1,000.00	10,000
	<u>573,191,502.83</u>	<u>5,985,962,511</u>
Redemption of units		
– Class I HKD	( 17,131,672.33)	( 180,185,731)
– Class A HKD	(155,442,852.93)	(1,632,435,842)
– Class B HKD	( 7,532,086.21)	( 76,160,833)
– Class F HKD	( 64,688,756.35)	( 668,484,864)
	<u>(244,795,367.82)</u>	<u>(2,557,267,270)</u>
Increase in net asset attributable to unitholders	-	46,002,630
At 31 December 2023	<u><u>351,054,218.54</u></u>	<u><u>3,709,207,362</u></u>

CHINAAMC SELECT MONEY MARKET FUND  
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

	2023	2022
Number of units in issue		
– Class I HKD	89,168,677.43	10,842,253.42
– Class I USD	49,671.07	49,671.07
– Class A HKD	148,843,478.55	11,766,160.05
– Class F HKD	108,609,394.10	-
– Class H HKD	1,000.00	-
– Class S HKD	1,000.00	-
– Class B HKD	4,380,998.41	-
	2023	2022
Net asset value per unit		
– Class I HKD	HKD 10.6939	HKD 10.2295
– Class I USD	USD 10.5451	USD 10.1085
– Class A HKD	HKD 10.6230	HKD 10.1718
– Class F HKD	HKD 10.3649	-
– Class H HKD	HKD 10.3215	-
– Class S HKD	HKD 10.2519	-
– Class B HKD	HKD 10.1893	-

CHINAAMC SELECT MONEY MARKET FUND  
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STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 HKD	2022 HKD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		46,002,630	2,897,693
Adjustments for:			
Interest income		( 48,393,712)	( 3,078,529)
		<u>( 2,391,082)</u>	<u>( 180,836)</u>
(Increase)/decrease in financial assets at fair value through profit or loss		( 11,987,450)	7,274,413
Increase in time deposits		( 914,220,901)	( 44,954,772)
Increase in amount due from Manager		( 629,074)	( 73,652)
Decrease/(increase) in prepayments		7,021	( 6,534)
Increase in financial liabilities at fair value through profit or loss		-	( 20,787)
Increase in management fee payable		1,163,982	67,512
Increase in trustee fee payable		202,853	6,716
Increase in accrued expenses and other payables		13,568	9,679
Cash flows used in operating activities		<u>( 927,841,083)</u>	<u>( 37,878,261)</u>
Interest received		29,191,748	2,029,355
Net cash flows used in operating activities		<u>( 898,649,335)</u>	<u>( 35,848,906)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds on issue of units		5,985,962,511	289,091,968
Payments for redemption of units		<u>( 2,557,267,270)</u>	<u>(185,608,451)</u>
Net cash flows from financing activities		<u>3,428,695,241</u>	<u>103,483,517</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2,530,045,906</b>	<b>67,634,611</b>
Cash and cash equivalents at beginning of the year		<u>174,573,359</u>	<u>106,938,748</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b><u>2,704,619,265</u></b>	<b><u>174,573,359</u></b>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>			
Cash at banks	7	679,806,485	34,792,779
Non-pledged short-term deposit with original maturity within three months	7	<u>2,024,812,780</u>	<u>139,780,580</u>
		<u>2,704,618,265</u>	<u>174,573,359</u>

CHINAAMC SELECT MONEY MARKET FUND  
(a sub-fund of ChinaAMC Select Fund)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

1. THE SUB-FUND

ChinaAMC Select Fund (the "Trust") was constituted as an open-ended unit trust established as an umbrella fund under the laws of Hong Kong pursuant to a trust deed dated 12 January 2012, as amended or supplemented from time to time (the "Trust Deed").

ChinaAMC Select Money Market Fund (the "Sub-Fund") was constituted as a separate sub-fund of the Trust. The Sub-Fund is an open-ended unit trust and is 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 Sub-Fund was launched on 29 March 2019. As at 31 December 2023, there are ten other sub-funds established under the Trust and the inception dates are as follow:

	Inception date
ChinaAMC Select RMB Bond Fund	21 February 2012
ChinaAMC Select Greater China Technology Fund	27 May 2015
ChinaAMC Select Asia Bond Fund	30 September 2016
ChinaAMC Select Fixed Income Allocation Fund	28 August 2018
ChinaAMC Select China Leap Equity Fund	25 June 2021
ChinaAMC Select Stable Income Fund	11 May 2022
ChinaAMC Select RMB Investment Grade Income Fund	9 June 2022
ChinaAMC Select USD Money Market Fund	5 September 2022
ChinaAMC Select Flexible Cycle Fund	28 October 2022
ChinaAMC Select Dynamic Fixed Income Fund	25 May 2023

The manager of the Trust is China Asset Management (Hong Kong) Limited (the "Manager") and the Trustee is BOCI-Prudential Trustee Limited (the "Trustee"). The Custodian is Bank of China (Hong Kong) Limited (the "Custodian").

The Sub-Fund's objective is to invest in short-term deposits, high quality money market instruments of varying maturities and such other securities as permitted by the Code. The Sub-Fund seeks to achieve long-term return in line with prevailing money market rates, with primary considerations of both capital security and liquidity, by investing not less than 70% of the Net Asset Value of the Sub-Fund in Hong Kong dollar ("HKD") and United States dollar ("USD") -denominated and settled short-term deposits and high quality money market instruments issued by governments, quasi-governments, international organisations, and financial institutions globally. The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

2. ACCOUNTING POLICY

2.1 BASIS OF PREPARATION

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of 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 HKD and all values are rounded to the nearest HKD except where otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Sub-Fund has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 1 and  
IFRS Practice Statement 2  
Amendments to IAS 8

*Disclosure of Accounting Policies*

*Definition of Accounting Estimates*

The nature and the impact of the revised IFRSs that are applicable to the Sub-Fund are described below:

Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in the Sub-Fund's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Sub-Fund has disclosed the material accounting policy information in note 2.4 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any item in the Sub-Fund's financial statements.

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Sub-Fund's approach and policy align with the amendments, the amendments had no impact on the Sub-Fund's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

There are no new and amended standards and interpretations that have been issued, but are not yet effective, as of issuance date of the Sub-Fund's financial statements that are expected to have a material impact on the Sub-Fund's financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4 MATERIAL ACCOUNTING POLICES

Financial instruments

(a) Classification

In accordance with IFRS 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.

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

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- 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
- 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 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*

Financial assets are 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 ("SPPI") on the principal amount outstanding. The Sub-Fund includes in this category cash and cash equivalents, and short-term non-financing receivables including time deposits, interest receivables and amount due from Manager.

*Financial assets measured at FVPL*

A financial asset is measured at FVPL if:

- Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding, or
- 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
- 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 recognizing the gains and losses on them on different bases.

The Sub-Fund includes in this category debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

NOTES TO THE FINANCIAL STATEMENTS

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2.4. MATERIAL ACCOUNTING POLICES (continued)

Financial instruments (continued)

(a) Classification (continued)

Financial liabilities

*Financial liabilities measured at amortised cost*

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Sub-Fund includes in this category management fee payable, trustee fee payable and other payables.

*Financial liabilities measured at FVPL*

A financial liability is measured at FVPL if it meets the definition of held for trading.

The Sub-Fund includes its redeemable units in this category.

(b) Recognition

The Sub-Fund recognises a financial asset or a financial liability 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 market place (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.

(c) Initial measurement

Financial assets and financial liabilities at FVPL 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.

(d) Subsequent measurement

After initial measurement, the Sub-Fund measures financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in the statement of profit or loss and other comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of profit or loss and other comprehensive income.

Financial assets, other than those classified as at FVPL, is measured at amortised cost using the effective interest method ("EIR") less any allowance for impairment. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4. MATERIAL ACCOUNTING POLICES (continued)

Financial instruments (continued)

(d) Subsequent measurement (continued)

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss 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 asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the 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 expected credit losses ("ECL"). 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.

(e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a 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 the Sub-Fund has transferred substantially all the risks and rewards of the asset, or 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 right 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 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.

Impairment of financial assets

For financial assets measured at amortised cost, impairment allowances are recognised under the general approach where ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Sub-Fund is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where 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.

NOTES TO THE FINANCIAL STATEMENTS

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2.4. MATERIAL ACCOUNTING POLICES (continued)

Impairment of financial assets (continued)

The Sub-Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Sub-Fund uses the provision matrix as a practical expedient to measure ECLs on other receivable, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Fair value measurement

The Sub-Fund measures its investments in financial instruments, such as debt instruments, 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 Sub-Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4. MATERIAL ACCOUNTING POLICES (continued)

Fair value measurement (continued)

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 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — 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 re-assessing 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.

Derivative financial instruments

Derivative financial instruments are recorded on a mark-to-market basis. Fair values are determined by using quoted market prices or calculated by reference to changes in specified prices of an underlying asset or otherwise a determined notional amount. All derivatives are carried as assets when amounts are receivable by the Sub-Fund and as liabilities when amounts are payable by the Sub-Fund.

Functional and presentation currency

The Sub-Fund's functional currency is HKD, 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 HKD.

Therefore, the HKD 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 HKD.

Foreign currency transactions

Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date.

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 is determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL and exchange differences on other financial instruments are included in net gain or loss on financial assets and liabilities at FVPL on the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4. MATERIAL ACCOUNTING POLICES (continued)

Net assets attributable to unitholders

The Sub-Fund offered redeemable units, namely Class A HKD units, Class I HKD units, Class I USD units, Class F HKD, Class H HKD, Class S HKD and Class B HKD, which are redeemable at the unitholder's option and are classified as financial liabilities for the years ended 31 December 2023 and 31 December 2022. Redeemable participating shares are measured at the redemption amount.

With a view to protecting the interests 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 of the Sub-Fund in issue. In this event, the limitation will apply pro rata so that all unitholders of the relevant Class or Classes of the Sub-Fund wishing to redeem units of the Sub-Fund on that Dealing Day will redeem the same proportion of such units, and units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, and will have priority on the next Dealing Day over subsequent redemption requests received in respect of such subsequent Dealing Day. If requests for redemption are so carried forward, the Trustee will inform the unitholders concerned.

With a view to managing the liquidity of the Sub-Fund, achieving fair treatment of unitholders, and safeguarding the interests of remaining unitholders in case of sizeable redemptions, upon consultation with the Trustee from time to time, the Manager is also entitled to limit the amount of redemption request from an individual unitholder on any Dealing Day to HKD10,000 or the equivalent in another currency under extreme market circumstances at the Manager's discretion. In this event, any units not redeemed will be carried forward for redemption, subject to the same limitation. If requests for redemption are so carried forward, the Manager will promptly inform the unitholders concerned.

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

Redeemable units are classified as an equity instrument when:

- (a) The redeemable units entitle the holder to a *pro-rata* share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation.
- (b) The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- (c) All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- (d) The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a *pro-rata* share of the Sub-Fund's net assets.
- (e) The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

In addition to the redeemable units having all the above features, the Sub-Fund must have no other financial instrument or contract that has:

- (a) Total cash flows based substantially in the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund, and
- (b) The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4. MATERIAL ACCOUNTING POLICES (continued)

Net assets attributable to unitholders (continued)

The Sub-Fund continuously assesses the classification of the redeemable units. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Sub-Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

Upon issuance of redeemable units, the consideration received is included in equity. Transaction costs incurred by the Sub-Fund in issuing or acquiring its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments that are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in profit or loss on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

Interest income

Interest income is recognised on an accrual basis using the EIR by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Distributions to unitholders

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Sub-Fund's cash management.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4. MATERIAL ACCOUNTING POLICES (continued)

Net gains/(losses) on financial assets/liabilities at FVPL

Net gains/(losses) on financial assets and liabilities at FVPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVPL and exclude interest and dividend income and expenses.

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

Realised gains and losses on disposals of financial instruments classified as at FVPL are calculated using the weighted average method for debt instruments and first-in-first out method for derivatives. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts.

Amounts due to broker

Amounts due to broker are payables for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. They are financial liabilities other than those classified as at FVPL.

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
  
- (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, of 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

In some jurisdiction, dividend income, interest 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 the statement of profit or loss and other comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented gross of withholding taxes, when applicable.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

3. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS

Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the period between the Sub-Fund and the Manager and its 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 what is disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee from the Sub-Fund at 0.15% per annum for Class A units, at 0.30% per annum for Class B units, at 0.60% per annum for Class F units, at 0.20% per annum for Class H units, and at 0.05% per annum for Class I units of the net asset value of each class of units of the Sub-Fund calculated on a daily basis and accrued as at the relevant Valuation Point and payable monthly in arrears in relation to units.

The management fee for the year ended 31 December 2023 was HKD1,769,967 (2022: HKD113,562). As at 31 December 2023, management fee of HKD1,246,968 (2022: HKD82,987) was payable to the Manager.

(b) Trustee fee

The Trustee is entitled to receive a trustee fee from the Sub-Fund, up to maximum of 0.5% per annum, based on the net asset value and accrued on each valuation day and is paid monthly in arrears.

The trustee fee for the year ended 31 December 2023 was HKD731,676 (2022: HKD114,554). As at 31 December 2023, trustee fee of HKD217,525 (2022: HKD14,671) was payable to the Trustee.

(c) Custodian fee and bank charges

The Custodian is entitled to receive custodian fees from the Sub-Fund, at a current rate of up to 0.025% (up to a maximum of 0.1%) per annum, calculated monthly and is paid monthly in arrears.

The custodian fees for the year ended 31 December 2023 were HKD2,671 (2022: HKD1,836). As at 31 December 2023, there was no custodian fee payable to the Custodian (2022: Nil).

For the year ended 31 December 2023, bank charges of HKD 60,354 (2022: HKD25,356) were charged by Bank of China (Hong Kong) Limited.

(d) Transaction handling fee

Transaction handling fee pertain to the administrative fees for every transaction made through the Administrator at HKD100 per transaction made. The transaction handling fee for the year ended 31 December 2023 was HKD101,600 (2022: HKD33,800). As at 31 December 2023, transaction handling fee of HKD7,400 (2022: HKD6,000) was payable to the Administrator.

CHINAAMC SELECT MONEY MARKET FUND  
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

3. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS  
(continued)

(e) Bank deposit and investments held by the Trustee's affiliates

The investments and bank balances maintained with Bank of China (Hong Kong) Limited, an affiliate company of the Trustee of the Sub-Fund, as at 31 December 2023 and 31 December 2022, are summarised below:

	Notes	2023 HKD	2022 HKD
Investments	6	11,987,450	-
Cash at banks	8	542,662	34,792,779

For the year ended 31 December 2023, Interest income of HKD1,777 (2022: HKD510) was recognised from the bank deposited with Trustee's affiliates.

(f) Short-term deposits placed with the Manager's affiliate

There was no short-term deposits placed with China CITIC Bank International Limited, an affiliate company of the Manager of the Sub-Fund, as at 31 December 2023 (2022: HKD13,000,000). For the year ended 31 December 2023, there was no interest income was recognised from the bank deposited with Manager's affiliates(2022: HKD58,922). As at 31 December 2023, there was no interest income receivable from the Manager's affiliate(2022: HKD100,956). Further details of the balance held are described in note 7 to the financial statements.

(g) Investment transactions with connected persons of the Manager and the Trustee

BOCI-Prudential Trustee Limited, Bank of China (Hong Kong) Limited, and BOCI Securities Limited are the Trustee's affiliates.

	Aggregate value of purchases and sales of securities HKD	Total commission paid HKD	% of Sub-Fund's total transactions during the year %	Average commission Rate %
2023				
Bank of China (Hong Kong) Limited	10,041,849	-	31.33%	-

BOCI-Prudential Trustee Limited, Bank of China (Hong Kong) Limited, and BOCI Securities Limited are the Trustee's affiliates.

	Aggregate value of purchases and sales of securities HKD	Total commission paid HKD	% of Sub-Fund's total transactions during the year %	Average commission Rate %
2022				
Bank of China (Hong Kong) Limited	12,079,811	-	29.19%	-
BOCI Securities Limited	5,038,846	-	12.18%	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

3. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS  
(continued)

(h) Expenses borne by the Manager

The prospectus stated that it is the Manager's current intention to cap the ongoing charges of each class of Units of the Sub-Fund at 2.50% of the average net asset value ("Average Net Asset Value") published for the year ended 31 December 2023 per unit of the Sub-Fund; any ongoing charges in excess of such figure as at the end of the reporting period will be borne by the Manager. The Manager has an absolute discretion to set the ongoing charges cap in respect of the units of the Sub-Fund at a rate below 2.50% of the Average Net Asset Value per unit.

The following amount of expenses incurred by the Sub-Fund were borne by the Manager for the year ended 31 December 2023. For the year ended 31 December 2023, HKD819,287 (2022: HKD358,944) expense incurred by the Sub-Fund was borne by the Manager.

	Expenses incurred by the Sub-Fund HKD	Income in the statement of profit or loss and other comprehensive income HKD
<u>For the year ended 31 December 2023</u>		
Reimbursement of expenses by the Manager	819,287	819,287
<u>For the year ended 31 December 2022</u>		
Reimbursement of expenses by the Manager	358,944	358,944

As at 31 December 2023, the reimbursement of expenses due from the Manager was HKD756,284 (2022: HKD127,210).

(i) Holdings in 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 collective investment schemes shown below are managed by the Manager while ChinaAMC International Holdings Limited is the subsidiary of the Manager. The holdings in the Sub-Fund by the Manager and its connected persons as at 31 December 2023 and 31 December 2022 were as follows:

CHINAAMC SELECT MONEY MARKET FUND  
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

3. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS  
(continued)

(i) Holdings in the Sub-Fund

31 December 2023

	Units outstanding at 1 January 2023	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2023
<u>Class I HKD units held by:</u>				
ChinaAMC International Holdings Limited	1,824,649.70	-	-	1,824,649.70
ChinaAMC NASDAQ-100 Index Daily (-1x) Inverse Product	250,071.22	-	-	250,071.22
ChinaAMC NASDAQ-100 Index Daily (2x) Leveraged Product	190,967.19	-	-	190,967.19
ChinaAMC NASDAQ-100 Index Daily (-2x) Inverse Product	1,978,167.61	-	-	1,978,167.61
ChinaAMC CSI 300 Index Daily (2x) Leveraged Product	125,718.78	194,611.22	( 320,329.99)	-
ChinaAMC CSI 300 Index Daily (-1x) Inverse Product	334,868.97	-	( 334,868.97)	-
ChinaAMC Select Fixed Income Allocation Fund	1,041,451.38	-	-	1,041,451.38
Citic Securities Company Limited	979,277.91	486,736.43	(1,442,224.49)	23,789.85
CITIC Securities Brokerage (HK) Limited	-	7,320,970.61	-	7,320,970.61
CITIC CFI Securities Company Limited	-	184,068.19	( 184,068.19)	-
<u>Class I USD units held by:</u>				
ChinaAMC China Growth Fund	49,671.07	-	-	49,671.07
<u>Class B HKD units held by:</u>				
ChinaAMC China Growth Fund	-	1,000.00	-	1,000.00
<u>Class F HKD units held by:</u>				
ChinaAMC China Growth Fund	-	100.00	-	100.00
<u>Class S HKD units held by:</u>				
ChinaAMC China Growth Fund	-	1,000.00	-	1,000.00
<u>Class H HKD units held by:</u>				
ChinaAMC China Growth Fund	-	1,000.00	-	1,000.00
<u>Class A HKD units held by:</u>				
ChinaAMC International Holdings Limited	100.00	-	-	100.00

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31 December 2023

3. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS  
(continued)

31 December 2022

	Units outstanding at 1 January 2022	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2023
<u>Class I HKD units held by:</u>				
ChinaAMC International Holdings Limited	1,824,649.70	-	-	1,824,649.70
ChinaAMC NASDAQ-100 Index Daily (-1x) Inverse Product	400,071.22	-	( 150,000.00)	250,071.22
ChinaAMC NASDAQ-100 Index Daily (2x) Leveraged Product	400,967.19	-	( 210,000.00)	190,967.19
ChinaAMC NASDAQ-100 Index Daily (-2x) Inverse Product	2,878,167.61	-	( 900,000.00)	1,978,167.61
ChinaAMC CSI 300 Index Daily (2x) Leveraged Product	376,228.66	29,490.12	( 280,000.00)	125,718.78
ChinaAMC CSI 300 Index Daily (-1x) Inverse Product	256,228.66	78,640.31	-	334,868.97
ChinaAMC Select Fixed Income Allocation Fund	1,041,451.38	-	-	1,041,451.38
Citic Securities Company Limited	-	979,277.91	-	979,277.91
<u>Class I USD units held by:</u>				
ChinaAMC China Growth Fund	200,000.00	-	( 150,328.93)	49,671.07
<u>Class A HKD units held by:</u>				
ChinaAMC International Holdings Limited	100.00	-	-	100.00

4. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons have not received any soft dollar commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund for the year ended 31 December 2023 (2022: Nil). The Manager and its connected persons have not retained any cash rebates from any broker or dealer.

5. INCOME TAX

Hong Kong Profits Tax

No provision for Hong Kong profits tax has been made for the Sub-Fund as the interest income and realised gain on disposal of investment of the Sub-Fund are excluded from the charge to profits tax under Section 14, Section 26 or Section 26A of the Hong Kong Inland Revenue Ordinance.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	2023 HKD	2022 HKD
Financial assets at fair value through profit or loss			
- debt securities		11,987,450	-
Total financial assets at fair value through profit or loss		<u>11,987,450</u>	<u>-</u>

The fair value of financial assets and liabilities traded in active markets (such as publicly trading securities) is based on quoted market prices at the close of trading at the end of the reporting date.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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31 December 2023

6. 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 Sub-Fund utilises the last traded market price for both financial assets and financial liabilities where the last traded prices fall within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

The Sub-Fund's fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

When a price for an identical asset or liability is not observable, the Sub-Fund measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, the Sub-Fund's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

Even when there is no observable market to provide pricing information about the sale of an asset or the transfer of a liability at the measurement date, a fair value measurement shall assume that a transaction takes place at that date, considered from the perspective of a market participant that holds the asset or owes the liability. That assumed transaction establishes a basis for estimating the price to sell the asset or to transfer the liability.

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets measured at fair value as at 31 December 2023. No investments were held by the Sub-Fund as of 31 December 2022.

31 December 2023

	Quoted prices in active markets Level 1 HKD	Significant observable inputs Level 2 HKD	Significant unobservable inputs Level 3 HKD	Total HKD
Financial assets at fair value through profit or loss				
- debt securities	-	11,987,450	-	11,987,450
	-	11,987,450	-	11,987,450

As at 31 December 2023, the Sub-Fund invested in debt securities and categories the investments within Level 2. As at 31 December 2022, there are no investment classified within Level 1, 2 and 3 due to no investment was held. There are no investments classified within Level 1 and Level 3 and no transfers between levels for the year ended 31 December 2023.

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7. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

	2023 HKD	2022 HKD
Cash at banks	679,806,485	34,792,779
Time deposits	2,998,035,890	198,782,789
Subtotal	<u>3,677,842,375</u>	<u>233,575,568</u>
Less: Time deposits with original maturity date more than three months	<u>(973,223,110)</u>	<u>(59,002,209)</u>
	<u>2,704,619,265</u>	<u>174,573,359</u>

Cash at bank includes balance held with Bank of China (Hong Kong) Limited, affiliate company of the Trustee. Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Sub-Fund, and earn interests at the respective short-term deposit rates.

Cash and cash equivalents and time deposits are deposited with creditworthy banks with no recent history of default.

8. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The consideration received or paid for units issued or re-purchased respectively is based on the value of the Sub-Fund's net asset value per unit at the date of the transaction. In accordance with the provisions, the Sub-Fund investment positions are valued based on the last traded market price for the purpose of determining the trading net asset value per unit for subscriptions and redemptions. The Sub-Fund's net asset value per unit is calculated by dividing the Sub-Fund's net assets with the total number of outstanding units.

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.

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8. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

A reconciliation of the net assets attributable to unitholders as reported in the statement of financial position to the net assets attributable to unitholders determined for the purposes of processing unit subscriptions and redemptions is provided below:

	2023 HKD	2022 HKD
Net assets attributable to unitholders as at last calendar day for the period (calculated in accordance with Explanatory Memorandum)	3,654,130,659	224,583,939
Adjustment for formation costs (Note)	( 584)	( 106,384)
Adjustment for unsettled capital transactions	53,960,403	10,003,896
Adjustment for the year-ended valuation	1,116,884	28,040
Net assets attributable to unitholders (calculated in accordance with IFRSs)	<u>3,709,207,362</u>	<u>234,509,491</u>
Net assets attributable to unitholders (per unit) as at last calendar day for the period (calculated in accordance with Explanatory Memorandum)		
Class I HKD	HKD 10.6905	HKD 10.2342
Class I USD	USD 10.5418	USD 10.1131
Class A HKD	HKD 10.6198	HKD 10.1765
Class F HKD	HKD 10.3620	-
Class H HKD	HKD 10.3184	-
Class S HKD	HKD 10.2487	-
Class B HKD	HKD 10.1862	-
Net assets attributable to unitholders (per unit) (calculated in accordance with IFRSs)		
Class I HKD	HKD 10.6939	HKD 10.2295
Class I USD	USD 10.5451	USD 10.1085
Class A HKD	HKD 10.6230	HKD 10.1718
Class F HKD	HKD 10.3649	-
Class H HKD	HKD 10.3215	-
Class S HKD	HKD 10.2519	-
Class B HKD	HKD 10.1893	-



NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

8. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

Capital management (continued)

Note:

The published net assets are calculated in accordance with the prospectus where formation costs are capitalised and to be amortised over the first five years of the operation of the Sub-Fund. For the net assets as reported in the financial statements, the formation costs are expensed as incurred as required under IFRSs. The unamortised amount was HKD584 (2022: HKD106,384) as at 31 December 2023. There is no remaining period for amortisation period (2022: 15 months) as at 31 December 2023.

9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE 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 interest rate risk and currency risk), liquidity risk and credit risk arising from the financial instruments it holds.

(a) 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 indirectly observable variables 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 asset value of redeemable units of the Sub-Fund.

The maximum risk resulting from financial instruments equals their fair value.

The Sub-Fund assumes market risk in trading activities. The Sub-Fund distinguishes market risk as interest rate risk and foreign exchange risk.

(i) Interest rate risk

Interest rate risk arises from the effects of fluctuations of markets interest rates on the fair value of interest-bearing assets and future cash flows.

As the Sub-Fund has invested in debt securities whose values are driven significantly by changes in interest rates, the Sub-Fund is subject to interest rate risk. When interest rates rise, the value of previously acquired debt securities will normally fall because new debt securities acquired will pay a higher rate of interest. In contrast, if interest rates fall, then the value of the previously acquired debt securities will normally rise. The Manager regularly assesses the economic condition and monitor changes in interest rates outlook to control the impact of interest rate risk. In a rising interest rate environment, the Sub-Fund will acquire debts with a shorter maturity profile to minimise the negative impact to the portfolio.

NOTES TO THE FINANCIAL STATEMENTS

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9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Risk management (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

The majority of interest rate exposure arises on investments in debt securities. All the Sub-Fund's investments in debt securities carry fixed interest rates and mature within one year. The Manager considers the movement in interest rates will have insignificant impact on the interest income.

The following table demonstrates the sensitivity of the Sub-Fund's profit or loss for the period ended 31 December 2023 to a reasonably possible change in interest rates, with all other variables held constant.

As the Sub-Fund has no investments in debt securities were held as at 31 December 2022, the Manager considers that changes in the fair value of its net assets in the event of a change in market interest rates will not be material. Therefore, no sensitivity analysis is presented.

	Change in basis points	Sensitivity of change in fair value of investments (decrease)/increase HKD
2023		
Debt securities	+25	(1,437)
Debt securities	-25	1,437

The Sub-Fund also has interest-bearing bank deposits. As the bank deposits have maturity dates within six months, the Manager considers the movement in interest rates will not have significant cash flow impact on the net assets attributable to unitholders for the years ended 31 December 2023 and 31 December 2022, and therefore no sensitivity analysis on bank deposit is presented.

(ii) 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 Sub-Fund holds assets and liabilities mainly denominated in HKD, the functional currency of the Sub-Fund. The Manager considers the Sub-Fund is not exposed to significant currency risk and therefore no sensitivity analysis is presented.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Risk management (continued)

(b) Liquidity risk

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulties in meeting its 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 daily cash redemptions of its redeemable units. 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 the Sub-Fund's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows in order to provide a complete view of the Sub-Fund's contractual commitments and liquidity.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a 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 debt 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.

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9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Risk management (continued)

(b) Liquidity risk (continued)

Financial assets (continued)

	On demand HKD	Within 1 month HKD	1 month to 3 months HKD	More than 3 months to 1 year HKD	Total HKD
<u>As at 31 December 2023</u>					
<u>Financial assets</u>					
Time deposits	-	35,188,581	573,103,814	364,930,715	973,223,110
Interest receivables	2,787,165	8,788,330	7,018,544	1,779,376	20,373,415
Amount due from Manager	-	-	756,284	-	756,284
Cash and cash equivalents	679,806,485	1,222,450,705	802,362,075	-	2,704,619,265
Total financial assets	682,593,650	1,266,427,616	1,383,240,717	366,710,091	3,678,972,074
<u>Financial liabilities</u>					
Management fee payable	-	1,246,968	-	-	1,246,968
Trustee fee payable	-	217,525	-	-	217,525
Accrued expenses and other payables	-	160,323	-	127,443	287,766
Net assets attributable to unitholders*	3,709,207,362	-	-	-	3,709,207,362
Total financial liabilities	3,709,207,362	1,624,816	-	127,443	3,710,959,621

\*Subject to redemption terms of the Sub-Fund.

	On demand HKD	Within 1 month HKD	1 month to 3 months HKD	More than 3 months to 1 year HKD	Total HKD
<u>As at 31 December 2022</u>					
<u>Financial assets</u>					
Time deposits	-	12,000,000	31,000,000	16,002,209	59,002,209
Interest receivables	-	433,211	604,760	133,480	1,171,451
Amount due from Manager	-	-	127,210	-	127,210
Subscription receivables	-	-	-	-	-
Cash and cash equivalents	34,792,779	18,018,005	121,762,575	-	174,573,359
Total financial assets	34,792,779	30,451,261	153,494,545	16,135,689	234,874,229
<u>Financial liabilities</u>					
Management fee payable	-	82,987	-	-	82,987
Trustee fee payable	-	14,671	-	-	14,671
Redemption payable	-	-	-	-	-
Accrued expenses and other payables	-	22,254	-	251,944	274,198
Net assets attributable to unitholders*	234,509,491	-	-	-	234,509,491
Total financial liabilities	234,509,491	119,912	-	251,944	234,881,347

\*Subject to redemption terms of the Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Risk management (continued)

(c) Credit and counterparty risk

Credit risk is the risk of loss to the Sub-Fund that may arise on outstanding financial instruments should a counterparty default on its obligations. The Sub-Fund minimises exposure to credit risk by only dealing with creditworthy counterparties.

All transactions by the Sub-Fund in securities are settled/paid for upon delivery using an approved broker. 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.

The Manager's policy is to closely monitor the creditworthiness of the Sub-Fund's counterparties (e.g., brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

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

**Financial assets subject to IFRS 9's impairment requirements**

The Sub-Fund's financial assets subject to the ECL model within IFRS 9 are only cash and cash equivalents, time deposits, interest receivables and amount due from Manager. As at 31 December 2023, the total of cash and cash equivalents, time deposits, interest receivables and amount due from Manager were HKD 3,678,972,074 (2022: HKD234,874,229) on which no loss allowance had been provided. There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the period.

For financial assets measured at amortised cost, the Sub-Fund applies the general approach for impairment, there is no information indicating that the financial asset had a significant increase in credit risk since initial recognition. The financial assets therefore are still classified at stage 1 and presented in gross carrying amount.

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: cash and cash equivalents, time deposits, interest receivables, and amount due from Manager. All the Sub-Fund's cash and cash equivalents 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 has been made.

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NOTES TO THE FINANCIAL STATEMENTS

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9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Risk management (continued)

(c) Credit and counterparty risk (continued)

**Financial assets subject to IFRS 9's impairment requirements**

The Sub-Fund's cash and cash equivalents and short-term deposits are potentially subject to concentrations of counterparty risk consist principally of assets held with the banks. The table below summarise the Sub-Fund's short-term deposits placed with the banks and their credit ratings from Moody's, Fitch, and Standard & Poor's ("S&P"):

<u>31 December 2023</u>	HKD	Credit rating	Source of credit rating
<u>Cash and cash equivalents, and time deposits</u>			
Bank of China (Hong Kong) Limited Shanghai Pudong Development Bank	542,662	A+	S&P
China Everbright Bank Hong Kong Branch	328,573,613	Baa2	Moody's
Agricultural Bank of China Hong Kong Branch	161,872,526	Baa2	Moody's
China Minsheng Banking Corp., Ltd Hong Kong Branch	443,688,155	A	S&P
China Bohai Bank Co. Ltd Hong Kong Branch	763,704,127	BBB-	S&P
Industrial Bank Co., Ltd. Hong Kong Branch	446,002,737	BBB-	S&P
Chiyu Bank Limited	358,994,732	Baa2	Moody's
Nanyang Commercial Bank	220,100,000	A3	Moody's
China Guangfa Bank	15,000,000	A2	Moody's
China Zheshang Bank	128,500,000	BBB-	S&P
	810,863,823	BBB-	S&P

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9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Risk management (continued)

(c) Credit and counterparty risk (continued)

**Financial assets subject to IFRS 9's impairment requirements** (continued)

<u>31 December 2022</u>	HKD	Credit rating	Source of credit rating
<u>Cash and cash equivalents, and time deposits</u>			
Bank of China (Hong Kong) Limited	792,779	A+	S&P
Shanghai Pudong Development Bank	34,000,000	BBB	S&P
China Everbright Bank Hong Kong Branch	3,018,005	BBB+	S&P
Agricultural Bank of China Hong Kong Branch	5,000,000	A	S&P
Industrial Bank Co., Ltd. Hong Kong Branch	34,600,000	Baa2	Moody's
China CITIC Bank International Limited	13,000,000	BBB+	S&P
Chiyu Bank Limited	5,000,000	A2	Moody's
CMB Wing Lung Bank	4,002,209	BBB+	S&P
The Bank of East Asia	40,900,000	A-	S&P
China Construction Bank (Asia) Limited	37,462,575	A	S&P
Nanyang Commercial Bank	40,300,000	A2	Moody's
China Guangfa Bank	14,500,000	BBB-	S&P
China Zheshang Bank	1,000,000	BBB-	S&P

**Financial assets not subject to IFRS 9's impairment requirements**

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

The Sub-Fund invested in short-term deposits and high quality money market instruments issued by governments, quasi-governments, international organisations, and financial institutions globally.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

9. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Risk management (continued)

(c) Credit and counterparty risk (continued)

**Financial assets not subject to IFRS 9's impairment requirements** (continued)

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of assets held with the Custodian. The tables below summarise the Sub-Fund's assets placed with the Custodian and their related credit ratings from S&P as at 31 December 2023:

<u>31 December 2023</u>	HKD	Credit rating	credit rating
<u>Custodian</u>			
Bank of China (Hong Kong) Limited	11,987,450	A+	S&P

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

No financial assets measured at fair value was held by the Sub-Fund as at 31 December 2022.

10. EVENTS AFTER THE REPORTING PERIOD

During the period between the end of the reporting period and the date of authorisation of these financial statements, there were

339,939,840 units of subscription and 180,205,294 units of redemption of Class A HKD units, 63,356,964 units of subscription and 39,310,70 of redemption of Class B HKD units, 96,017,162 units of subscription and 118,149,718 units of redemption of Class F HKD units, and 40,221,171 units of subscription and 65,170,765 units of redemption of Class I HKD units of the Sub-Fund.

11. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee and the Manager on 24 April 2024.



CHINAAMC SELECT MONEY MARKET FUND  
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INVESTMENT PORTFOLIO (UNAUDITED)

31 December 2023

	<b>Nominal Qty</b>	<b>Fair value (in HKD)</b>	<b>% of net assets</b>
Fixed Income securities			
CHINA CONSTRUCTION BANK/MACAU 4% A 10JAN2024 FXCD	5,000,000	4,987,450	0.13%
TFI OVERSEAS INVESTMENT LTD 6% A 18JAN2024	5,000,000	5,000,000	0.13%
TFI OVERSEAS INVESTMENT LTD 6% A 18JAN2024	2,000,000	2,000,000	0.05%
		11,987,450	0.31%
Other net assets		<u>3,697,219,912</u>	<u>99.68%</u>
Total net assets		<u>3,709,207,362</u>	<u>100.00%</u>
			<b>Days</b>
Portfolio weighted average maturity in days			45.2
Portfolio weighted average life in days			45.2
		<b>Market value (in HKD)</b>	<b>% of net assets</b>
Daily liquid assets		3,709,207,362	100.00%
Weekly liquid assets		3,709,207,362	100.00%

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MOVEMENT IN PORTFOLIO HOLDINGS (UNAUDITED)

31 December 2023

	As at 1 January 2023	Movement in holdings			As at 31 December 2023
		Addition	Bonus/ Dividends	Disposal	
<b><u>Debt Securities</u></b>					
CHINA CONSTRUCTI ON BANK/MACAU 4% A 10JAN2024 FXCD	-	15,000,000	-	(10,000,000)	5,000,000
TFI OVERSEAS INVESTMENT LTD 6% A 18JAN2024	-	5,000,000	-	-	5,000,000
TFI OVERSEAS INVESTMENT LTD 6% A 18JAN2024	-	2,000,000	-	-	2,000,000
Total investment portfolio	-	22,000,000	-	(10,000,000)	12,000,000

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INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

31 December 2023

Below is the summary of gross derivative exposure and net derivative exposure arising from the use of financial derivative instruments during the years ended 31 December 2023 and 31 December 2022.

***Foreign currency forward contracts***

**Gross exposure**

	Lowest %	Highest %	Average %
For the year ended 31 December 2022	-	5.30	1.40

**Net exposure**

	Lowest %	Highest %	Average %
For the year ended 31 December 2022	-	5.30	1.40

CHINAAMC SELECT MONEY MARKET FUND  
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PERFORMANCE TABLE (UNAUDITED)

31 December 2023

Net asset value attributable to unitholders

	Net asset value per unit		Net asset value attributable to unitholders	
As at 31 December 2023				
- Class I HKD	HKD	10.6939	HKD	953,558,890
- Class I USD	USD	10.5451	HKD	4,092,727
- Class A HKD	HKD	10.6230	HKD	1,581,170,556
- Class F HKD	HKD	10.3649	HKD	1,125,725,388
- Class H HKD	HKD	10.3215	HKD	10,322
- Class S HKD	HKD	10.2519	HKD	10,252
- Class B HKD	HKD	10.1893	HKD	44,639,227
As at 31 December 2022				
- Class I HKD	HKD	10.2295	HKD	110,910,994
- Class I USD	USD	10.1085	HKD	3,915,008
- Class A HKD	HKD	10.1718	HKD	119,683,488
As at 31 December 2021				
- Class I HKD	HKD	10.0685	HKD	107,220,419
- Class I USD	USD	9.9486	HKD	15,515,543
- Class A HKD	HKD	10.0224	HKD	5,676,974

Highest issue price and lowest redemption price per unit<sup>1</sup>

	Highest issue price per unit		Lowest redemption price per unit	
For the year ended 31 December 2023				
- Class I HKD	HKD	10.6905	HKD	10.2379
- Class I USD	USD	10.5515	USD	10.0887
- Class A HKD	HKD	10.6198	HKD	10.1801
- Class F HKD	HKD	10.3620	HKD	10.0000
- Class H HKD	HKD	10.3184	HKD	10.0000
- Class S HKD	HKD	10.2487	HKD	10.0000
- Class B HKD	HKD	10.1862	HKD	10.0000
For the year ended 31 December 2022				
- Class I HKD	HKD	10.2329	HKD	10.0851
- Class I USD	USD	10.1231	USD	9.9105
- Class A HKD	HKD	10.1753	HKD	10.0370
For the year ended 31 December 2021				
- Class I HKD	HKD	10.0854	HKD	10.0731
- Class I USD	USD	10.0115	USD	9.9531
- Class A HKD	HKD	10.0412	HKD	10.0314

CHINAAMC SELECT MONEY MARKET FUND  
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PERFORMANCE TABLE (UNAUDITED) (continued)

31 December 2023

Net asset value attributable to unitholders(continued)

		<b>Highest issue price per unit</b>		<b>Lowest redemption price per unit</b>
For the year ended 31 December 2020				
- Class I HKD	HKD	10.0773	HKD	10.0243
For the period from 29 March 2019 (date of inception) to 31 December 2019				
- Class I HKD	HKD	10.0840	HKD	9.9558

<sup>1</sup> Past performance figures shown are not indicative of the future performance of the Sub-Fund.

