

ANNUAL REPORT

**CCBI GLOBAL PREMIUM SELECTION FUND
(A SUB-FUND OF GRAND REJUVENATION ASSET ALLOCATION
FUND SERIES)**

FOR THE YEAR ENDED 31 DECEMBER 2022

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

31 December 2022

| CONTENTS | Pages |
|--|--------------|
| ADMINISTRATION AND MANAGEMENT | 1 |
| REPORT OF THE TRUSTEE | 2 |
| INDEPENDENT AUDITOR’S REPORT | 3 - 5 |
| Statement of net assets | 6 |
| Statement of profit or loss and other comprehensive income | 7 |
| Statement of changes in equity | 8 |
| Statement of cash flows | 9 |
| Notes to the financial statements | 10 - 34 |
| INVESTMENT PORTFOLIO (unaudited) | 35 |
| STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (unaudited) | 36 |
| PERFORMANCE TABLE (unaudited) | 37 |

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

ADMINISTRATION AND MANAGEMENT

MANAGER

CCB International Asset Management Limited
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

DIRECTORS OF THE MANAGER

Li Lu
Lee Yat Chun
Wei Yucheng

TRUSTEE

ICBC (Asia) Trustee Company Limited
33/F, ICBC Tower
3 Garden Road
Central
Hong Kong

CUSTODIAN

Industrial and Commercial Bank of China (Asia) Limited
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Central
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REGISTRAR AND TRANSFER AGENT

ICBC (Asia) Trustee Company Limited
33/F, ICBC Tower
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Central
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AUDITOR

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

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

REPORT OF THE TRUSTEE

We hereby confirm that, in our opinion, the Manager, CCB International Asset Management Limited, has, in all material respects, managed Grand Rejuvenation Asset Allocation Fund Series for the year ended 31 December 2022 in accordance with the provisions of the Trust Deed dated 28 November 2014 and the supplemental deed dated 24 March 2016 and 2nd Supplemental Deed dated 17 May 2018 and Amended and Restated Trust Deed dated 24 January 2020.

On behalf of
ICBC (Asia) Trustee Company Limited, the Trustee

26 April 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF
GRAND REJUVENATION ASSET ALLOCATION FUND SERIES
(THE "FUND")**

Report on the Financial Statements

Opinion

We have audited the financial statements of CCBI Global Premium Selection Fund (the "Sub-Fund" of Grand Rejuvenation Asset Allocation Fund Series) set out on pages 6 to 34, which comprise the statement of net assets as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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, in all material respects, of the financial position of the Sub-Fund as at 31 December 2022, and of its financial performance and its cash flows for the year then ended, in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

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

Other information in the Annual Report

The Manager of the Sub-Fund is responsible for the other information, except the Trustee's Report, which the Trustee is responsible to issue. The other information comprises the information included in this Annual Report, other than the financial statements and our auditor's report thereon (the "Other Information").

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF
GRAND REJUVENATION ASSET ALLOCATION FUND SERIES
(THE "FUND") (CONTINUED)**

Responsibilities of the Manager for the Financial Statements

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

In addition, the Manager of the Sub-Fund is required to ensure that the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed of the Sub-fund dated 28 November 2014 as amended by the supplemental deed dated 24 March 2016, 2nd Supplemental Deed dated 17 May 2018, Amended and Restated Trust Deed dated 24 January 2020 (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 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 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF
GRAND REJUVENATION ASSET ALLOCATION FUND SERIES
(THE "FUND") (CONTINUED)**

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

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

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager'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 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
26 April 2023

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

STATEMENT OF NET ASSETS

As at 31 December 2022

| | | <u>CCBI Global Premium Selection Fund</u> | |
|---|----------|---|--------------------|
| | | 2022 | 2021 |
| | | HK\$ | HK\$ |
| ASSETS | | | |
| Current assets | | | |
| Financial assets at fair value through profit or loss | 6 | 100,301,194 | 142,673,860 |
| Interest and dividend receivable | | 3,017 | 3,599 |
| Cash and cash equivalents | 7, 10(a) | 39,793,746 | 32,239,689 |
| Total Assets | | <u>140,097,957</u> | <u>174,917,148</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Management fee payable | 4(a) | 93,930 | 120,536 |
| Trustee fee payable | 4(b) | 72,077 | 72,077 |
| Redemption payable | | 39,000,000 | - |
| Accrued expenses and other payables | | 221,770 | 208,801 |
| Total liabilities | | <u>39,387,777</u> | <u>401,414</u> |
| EQUITY | | | |
| Net assets attributable to unitholders | 9 | <u>100,710,180</u> | <u>174,515,734</u> |

.....
For and on behalf of
ICBC (Asia) Trustee Company Limited
as the Trustee

.....
For and on behalf of
CCB International Asset Management Limited
as the Manager

The notes on pages 10 to 34 form an integral part of these financial statements.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

| | | CCBI Global Premium Selection Fund | |
|---|-------|------------------------------------|-------------------------|
| | | 2022 | 2021 |
| | | HK\$ | HK\$ |
| INCOME | Notes | | |
| Dividend income | | 85,848 | - |
| Interest income on bank deposits | 10(a) | 506,530 | 45,093 |
| Net (losses)/gains on financial assets at fair value through profit or loss | 6 | (33,418,902) | 5,248,709 |
| Net exchange gains/(losses) | | 9,201 | (9,026) |
| Total income | | <u>(32,817,323)</u> | <u>5,284,776</u> |
| EXPENSES | | | |
| Management fee | 4(a) | (1,193,097) | (1,420,218) |
| Trustee fee | 4(b) | (432,000) | (432,000) |
| Professional fees | | - | (33) |
| Auditor's remuneration | | (185,000) | (184,000) |
| Transaction cost | 13 | (74,992) | (32,222) |
| Other operating expenses | | (103,142) | (107,870) |
| Total expenses | | <u>(1,988,231)</u> | <u>(2,176,343)</u> |
| (Loss)/profit before taxation | | <u>(34,805,554)</u> | <u>3,108,433</u> |
| Tax expenses | 5 | - | - |
| (Loss)/profit and total comprehensive (loss)/income for the year | | <u><u>(34,805,554)</u></u> | <u><u>3,108,433</u></u> |

The notes on pages 10 to 34 form an integral part of these financial statements.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

| | <u>CCBI Global Premium Selection Fund</u> | |
|---|---|--------------------|
| | Units | HK\$ |
| Balance at 1 January 2021 | 1,200,000 | 171,407,301 |
| Total comprehensive income for the year | - | 3,108,433 |
| | <hr/> | <hr/> |
| Balance at 31 December 2021 and 1 January 2022 | 1,200,000 | 174,515,734 |
| Redemption of units | (334,936) | (39,000,000) |
| Total comprehensive loss for the year | - | (34,805,554) |
| | <hr/> | <hr/> |
| Balance at 31 December 2022 | <u>865,064</u> | <u>100,710,180</u> |

The notes on pages 10 to 34 form an integral part of these financial statements.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

STATEMENT OF CASH FLOWS

Year ended 31 December 2022

| | | <u>CCBI Global Premium Selection Fund</u> | |
|---|------|---|-------------------|
| | Note | 2022 HK\$ | 2021 HK\$ |
| Cash flows from operating activities | | | |
| Net (loss)/income before tax | | (34,805,554) | 3,108,433 |
| Adjustments for: | | | |
| Interest income on bank deposits | | (506,530) | (45,093) |
| Dividend income | | (85,848) | - |
| | | <u>(35,397,932)</u> | <u>3,063,340</u> |
| Working capital adjustments: | | | |
| Decrease in financial assets at fair value through profit or loss | | 42,372,666 | 7,013,354 |
| Decrease in prepayments | | - | 5,500 |
| (Decrease)/increase in management fee payable | | (26,606) | 9,478 |
| Increase in accrued expenses and other payables | | 12,969 | 13,901 |
| | | <u>6,961,097</u> | <u>10,105,573</u> |
| Net cash from operations | | <u>6,961,097</u> | <u>10,105,573</u> |
| Interest received | | 507,112 | 43,154 |
| Dividend received | | 85,848 | 176,049 |
| | | <u>7,554,057</u> | <u>10,324,776</u> |
| Net cash from operating activities | | <u>7,554,057</u> | <u>10,324,776</u> |
| Net increase in cash and cash equivalents | | 7,554,057 | 10,324,776 |
| Cash and cash equivalents at beginning of the year | | 32,239,689 | 21,914,913 |
| | | <u>39,793,746</u> | <u>32,239,689</u> |
| Cash and cash equivalents at end of the year | | <u>39,793,746</u> | <u>32,239,689</u> |
| Analysis of balances of cash and cash equivalents: | | | |
| Cash at bank | 7 | 1,293,746 | 629,646 |
| Fixed deposits with original maturities of three months or less | 7 | 38,500,000 | 31,610,043 |
| | | <u>39,793,746</u> | <u>32,239,689</u> |

The notes on pages 10 to 34 form an integral part of these financial statements.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. The Fund and the Sub-Fund

Grand Rejuvenation Asset Allocation Fund Series (the “Fund”) is a unit trust which is governed by its trust deed dated 28 November 2014, among CCB International Asset Management Limited as the manager (the “Manager”), Industrial and Commercial Bank of China (Asia) Limited as the custodian (the “Custodian”) and ICBC (Asia) Trustee Company Limited as the trustee (the “Trustee”). It is established under and governed by the laws of Hong Kong.

The Fund is an umbrella unit trust. During the year ended 31 December 2022 and 2021, only one sub-fund was launched.

The respective dates of inception of the sub-fund (the “Sub-Fund”) are as follows:

| Sub-Fund | Date of commencement of operations |
|------------------------------------|------------------------------------|
| CCBI Global Premium Selection Fund | 13 June 2017 |

On 13 June 2017, Grand Rejuvenation Asset Allocation Fund Series launched CCBI Global Premium Selection Fund which the units are denominated in HKD.

Two classes of units, namely Class A Units and Class B Units, are available for the Sub-Fund. For the year ended 31 December 2022 and 2021, only Class B Units were issued.

The Manager may in future request the Trustee to create additional Sub-Fund or issue additional classes of units in relation to the Sub-Fund. Class A Units and Class B Units are subject to different initial charges, redemption charges, switching fees and servicing fees.

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 and is required to comply with the Code on Unit Trusts and Mutual Funds (the “SFC Code”) established by the SFC.

2. Summary of significant accounting policies

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

(a) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (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 of the SFC Code.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities (including derivative financial instruments) classified as at fair value through profit or loss that have been measured at fair value. The financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest dollar except when otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager to exercise their judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Sub-Fund.

New standards, amendments and interpretations which are relevant to the Sub-Fund and effective for the financial year after 1 January 2022 and have not been early adopted

The Sub-Fund has not early applied any of the new or revised HKFRSs that have been issued but are not yet effective for the accounting year ended 31 December 2022 in these financial statements. Among these HKFRSs, the following is expected to be relevant to the Sub-Fund’s financial statements upon becoming effective.

Amendments to HKAS 8

*Definition of Accounting Estimates*¹

¹ Effective for annual periods beginning on or after 1 January 2023

Amendments to HKAS 8 *Definition of Accounting Estimates* 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. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Sub-Fund’s financial statements.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Summary of significant accounting policies (continued)

(b) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Sub-Fund's business model for managing them. The Sub-Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Sub-Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Sub-Fund commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

As at 31 December 2022 and 2021, all the collective investment schemes are classified, at initial recognition, as financial assets through profit or loss while interest and dividend receivable and cash and cash equivalents are classified as financial assets at amortised cost.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Sub-Fund measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method (see accounting policy on the description for effective interest method at financial liabilities below) and are subject to impairment (see accounting policy on impairment of financial assets below). Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

Financial assets (continued)

Subsequent measurement (continued)

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

As at 31 December 2022 and 2021, the Sub-Fund's financial liabilities include relating to management fee payable, trustee fee payable, redemption payable and accrued expenses and other payables which are measured at amortised cost.

Subsequent measurement

The Sub-Fund's 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.

Effective interest method

The effective interest method 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.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets at FVPL, of which interest income is included in interest income on interest bearing securities.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

Financial liabilities (continued)

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 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 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 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.

(c) Impairment of financial assets

The Sub-Fund holds only short-term receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under HKFRS 9 to all its short-term receivables. Therefore, the Sub-Fund does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

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 measuring ECLs on short-term receivables, 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.

The Sub-Fund assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Summary of significant accounting policies (continued)

(d) Fair value measurement and valuation of investments in other collective investment schemes

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. Further details of the valuation policy of the financial assets at fair value through profit or loss of the Sub-Fund are disclosed in note 8(d).

Investments in quoted unlisted collective investment schemes are valued at their last traded prices as provided by the administrators of such schemes. Where last traded prices are not available, investments in these schemes are valued at their net asset value per unit as provided by the administrators of such schemes.

(e) Offsetting financial instruments

Financial assets are offset and the net amount reported in the statement of net assets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(f) Income

Dividend income

Dividend income is recognised on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted when the Sub-Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes.

Interest income

Interest income is recognised using the effective interest rate method.

Net gains or losses on financial assets through profit or loss

This item includes changes in the fair value of financial assets held for trading and excludes interest and dividend income.

Unrealized gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealized gains and losses for financial instruments which were realized in the reporting period.

Realized gains and losses on disposals of financial instruments classified as at FVPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount

(g) Expenses

All expenses are accounted for on an accruals basis and are charged to the statement of profit or loss and other comprehensive income.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Summary of significant accounting policies (continued)

(h) Foreign currency translation

(i) Functional and presentation currency

Items included in the Sub-Fund's financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the "functional currency"). The Manager considers the Hong Kong Dollar ("HKD") as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions because issues and redemptions of units, performance measurement and reporting to the unitholders, as well as settlement of the majority of fees and expenses are carried out in HKD.

The Sub-Fund has adopted the functional currencies as the presentation currencies and the financial statements are presented in their respective functional currencies.

(ii) Transactions and balances

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

Foreign exchange gains and losses arising from translation are included in statement of profit or loss and other comprehensive income.

Foreign exchange gains and losses relating to fixed deposit, interest and dividend receivable and cash and cash equivalents are presented in the statement of profit or loss and other comprehensive income within "Net exchange gains/(losses)".

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

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts, if any.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Summary of significant accounting policies (continued)

(j) Redeemable units

The Sub-Fund issue redeemable units, which are redeemable at the unitholder's option and are classified as equity in accordance with HKAS 32.

Should the redeemable units' terms or conditions change such that they do not comply with the strict criteria contained in the amendment, the redeemable units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognised in equity.

Redeemable units can be put back to the respective Sub-Fund at any time for cash equal to a proportionate share of the respective Sub-Fund's trading net asset value calculated in accordance with the Trust Deed.

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

The net asset values of the Sub-Fund is computed daily. Prices for issues and redemptions are based on the latest available valuation. Proceeds and payments for units issued and redeemed are shown in the statement of changes in equity.

(l) Accrued expenses and other payables

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

(m) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Sub-Fund considers all of their investments in other collective investment schemes (the "underlying schemes") and its objective is to achieve sustainable and stable medium to long-term capital growth and whose investment strategy does not include the use of leverage. The underlying schemes are managed by different asset managers and apply various investment strategies to accomplish its respective investment objective.

The change in fair value of the underlying schemes is included in the statement of profit or loss and other comprehensive income in "net gains/(losses) on financial assets at fair value through profit or loss".

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Summary of significant accounting policies (continued)

(n) 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, 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.

3. Critical accounting estimates and judgements

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates may, by definition, not equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of investments

In determining the fair value of such investments, the Manager exercises judgements on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fair value the investments may be indicative and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded as of the year end date. Actual transacted prices may differ from the quotes provided by the brokers. The Manager considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

Critical judgements

In preparing these financial statements, the Manager has made certain judgements which are dependent on what might happen in the future. The judgements made by the Manager may not equal the related actual results. No critical judgements are made for the Sub-Fund.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Fees

(a) Management fee

The Manager is entitled to receive a management fee from the Sub-Fund calculated as a percentage of the net asset value of the relevant class of units of the Sub-Fund. The management fee is deducted from the assets of the relevant Sub-Fund. The rates of management fee for the year ended 31 December 2022 and 2021 are as follows:

| <u>Sub-Fund</u> | <u>Rate of Management Fee (p.a.)</u> | | | |
|------------------------------------|--------------------------------------|---------|---------|---------|
| | Class A | Class B | Class A | Class B |
| | Units | Units | Units | Units |
| | 2022 | 2022 | 2021 | 2021 |
| CCBI Global Premium Selection Fund | 1.00% | 0.80% | 1.00% | 0.80% |

The management fee is calculated and accrued on each dealing day and are paid monthly in arrears.

For the year ended 31 December 2022, Management Fee was HK\$1,193,097 (2021: HK\$1,420,218). As at 31 December 2022, Management Fee of HK\$93,930 (2021: HK\$120,536) was payable to Manager.

(b) Trustee fee

The Trustee Fee is inclusive of fees payable to the Custodian, the Registrar and Transfer Agent and the RQFII Custodian unless otherwise specified.

The Trustee is entitled to receive a trustee fee calculated as a percentage of the net asset value of the relevant class of units of the Sub-Fund, subject to a minimum monthly fee of HK\$36,000.

For the year ended 31 December 2022 and 2021, the trustee fee is calculated at percentage of net asset value of the Sub-Fund at 0.10% per annum for Class A Units and Class B Units in each year and accrued on each dealing day and is paid monthly in arrears.

In respect of custodian fee, the custody is entitled to charge the Sub-Fund at 0.015% per annum for Class A Units and Class B Units for the years ended 31 December 2022 and 2021. Actual safekeeping fee is based on the market value of the Sub-Fund at the end of the month.

For the year ended 31 December 2022, Trustee Fee was HK\$432,000 (2021: HK\$432,000) inclusive of Custodian Fee and Register and Transfer Fee. As at 31 December 2022, Trustee Fee of HK\$72,077 (2021: HK\$72,077) was payable to Trustee.

(c) Servicing fee, switching fee, subscription charge and redemption charge

For the year ended 31 December 2022 and 2021, the Manager does not entitle to receive a servicing fee, switching fee and redemption charges for the Class A Units and Class B Units of the Sub-Fund and the subscription charge for the Manager levies is up to 2% of the subscription amount off the relevant Class A Units and no subscription charge is imposed on Class B Units.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Fees (continued)

(d) Performance fee

For the years ended 31 December 2022 and 2021, the Manager does not entitle to receive a performance fee for the Class A Units and Class B Units of the Sub-Fund.

5. Taxation

No provision for Hong Kong profits tax has been made as the Sub-Fund were authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and are therefore exempted from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance ("IRD").

No Hong Kong Stamp Duty has been made as the Sub-Fund on an issue of Units, as well as on redemption of Units where the redemption is effected by extinguishing the Units.

Certain dividend income are subject to withholding tax in certain foreign jurisdictions and are the only items subject to taxation in those jurisdictions.

There is no withholding tax attributable to the Sub-Fund in 2022 and 2021.

6. Financial assets and liabilities at fair value through profit or loss

CCBI Global Premium Selection Fund

| | 2022 HK\$ | 2021 HK\$ |
|---|---------------------|--------------------|
| Financial assets held for trading | | |
| - collective investment schemes | 100,301,194 | 142,673,860 |
| Total financial assets at fair value through profit or loss | <u>100,301,194</u> | <u>142,673,860</u> |
| | 2022 HK\$ | 2021 HK\$ |
| (Losses)/gains recognised in relation to financial assets at fair value through profit or loss | | |
| - realised | 13,287,574 | 1,491,266 |
| - unrealised | (46,706,476) | 3,757,443 |
| Net (losses)/gains | <u>(33,418,902)</u> | <u>5,248,709</u> |

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

7. Cash and cash equivalents

CCBI Global Premium Selection Fund

| | 2022 HK\$ | 2021 HK\$ |
|--------------------------|-------------------|-------------------|
| Bank balance (note 10a) | 1,293,746 | 629,646 |
| Fixed deposit (note 10a) | 38,500,000 | 31,610,043 |
| | <u>39,793,746</u> | <u>32,239,689</u> |

The cash at bank of the Sub-Fund is being held in an interest bearing account with Industrial and Commercial Bank of China (Asia) Limited, an affiliate company of the Trustee.

As at 31 December 2022, the fixed deposit of the Sub-Fund is being held in Industrial and Commercial Bank of China (Asia) Limited, an affiliate company of the Trustee (2021: China Minsheng Banking Corp., Ltd) with interest bearing ranged 0.04% to 3.85% per annum (2021: 0.01% to 0.28% per annum). The original maturity of the fixed deposit is less than three months.

8. Financial risk management

The Sub-Fund's activities expose it to a variety of financial risks: market risk (including price risk, cash flow and fair value interest rate risk and foreign exchange risk), liquidity risk and credit risk and counterparty risk.

Investments of the Sub-Fund is subject to normal market fluctuations and other risks inherent in investing in securities and there can be no assurance that any appreciation in value will occur. The value of investments and the income from them fluctuate and therefore the value of the redeemable participating units can fall as well as rise.

Sub-Fund

Investment objectives

CCBI Global Premium Selection Fund

To seek sustainable and stable capital return in medium to long term through investing in other collective investment schemes.

(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 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 asset value per unit of the Sub-Fund.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk

The Sub-Fund's policy is to manage price risk through diversification of the investment portfolio as well as investing in collective investment scheme with strong fundamentals. The table below summarises the overall market exposures of the Sub-Fund by market and the impact of increases or decreases from the Sub-Fund's financial assets at fair value through profit or loss on the Sub-Fund's net assets attributable to unitholders as at 31 December 2022 and 2021. The analysis is based on the assumption that the underlying investments in the collective investment schemes increased or decreased by a reasonable possible shift, with all other variables held constant. The Manager has used its view of what would be a "reasonable possible shift" in each key market to estimate the change in the sensitivity analysis below. However, this does not represent a prediction of the future movement in the corresponding key markets.

The Sub-Fund's investments in the underlying schemes are authorised by the SFC or in recognised jurisdiction schemes. The Manager makes investment decisions after extensive due diligence of the underlying funds and their strategies.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative. Changes in market index % are revised annually depending on the Manager's current view of market volatility and other relevant factors.

| As at 31 December 2022 | Fair value HK\$ | % of Net assets % | Estimated possible change in net asset value if the listed equity price changes by 10% HK\$ +/- |
|---|--------------------|----------------------|--|
| <u>CCBI Global Premium Selection Fund</u> | | | |
| - Collective investment scheme | | | |
| Cayman Islands | 12,810,351 | 12.72 | 1,281,035 |
| Hong Kong | 35,176,995 | 34.93 | 3,517,700 |
| Luxembourg | 46,277,408 | 45.95 | 4,627,741 |
| United States of America | 6,036,440 | 5.99 | 603,644 |

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

| As at 31 December 2021 | Fair value HK\$ | % of Net assets % | Estimated possible change in net asset value if the equity price changes by 10% HK\$ +/- |
|---|--------------------|----------------------|--|
| <u>CCBI Global Premium Selection Fund</u> | | | |
| - Collective investment scheme | | | |
| Cayman Islands | 6,878,434 | 3.94 | 687,843 |
| Hong Kong | 59,502,141 | 34.10 | 5,950,214 |
| Luxembourg | 68,355,285 | 39.17 | 6,835,529 |
| United States of America | 7,938,000 | 4.55 | 793,800 |

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of interest-bearing assets and liabilities and their future cash flows.

As the Sub-Fund does not directly hold any interest-bearing assets and liabilities whose value is driven significantly by changes in interest rates, the Manager assesses that the Sub-Fund does not subject significant fair value interest rate risk.

The Sub-Fund holds floating rate and cash equivalents that exposed the Sub-Fund to cash flow interest rate risk. As the cash and cash equivalents are without any fixed maturity dates, the Manager can monitor its risk exposure and mitigate the risk by respective control measures depending on the market situation. Thus the Manager considers the movement in interest rates will have insignificant cash flow impact on the net asset value as at 31 December 2022 and 2021, and therefore no sensitivity analysis is presented.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk

The Sub-Fund invests in currencies other than their base currencies and may be subject to exchange rate fluctuations with a potential reduction in the value of investments. Repatriation of capital invested may be hampered by changes in regulations applicable to foreign investors which may also have an adverse impact on the Sub-Fund's performance.

The Sub-Fund intends to avoid investments in a foreign country where capital repatriation is required.

CCBI Global Premium Selection Fund As at 31 December 2022

| Original currency | GBP HK\$ | USD HK\$ | HKD HK\$ | Total HK\$ |
|---|-------------|-------------|--------------|---------------|
| Monetary assets | | | | |
| Financial assets at fair value through profit or loss | - | 67,748,997 | 32,552,197 | 100,301,194 |
| Interest and dividend receivable | - | - | 3,017 | 3,017 |
| Cash and cash equivalents | 5 | 102,798 | 39,690,943 | 39,793,746 |
| | | | | |
| Total monetary assets | 5 | 67,851,795 | 72,246,157 | 140,097,957 |
| | | | | |
| Total monetary liabilities | - | - | (39,387,777) | (39,387,777) |
| | | | | |
| Net monetary assets | 5 | 67,851,795 | 32,858,380 | 100,710,180 |
| | | | | |
| % change in currency | 10% | | | |
| | | | | |
| Impact on net assets | 0.50 | | | |

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk (continued)

CCBI Global Premium Selection Fund As at 31 December 2021

| Original currency | GBP HK\$ | USD HK\$ | HKD HK\$ | Total HK\$ |
|---|-------------|-------------|-------------|---------------|
| Monetary assets | | | | |
| Financial assets at fair value through profit or loss | - | 81,124,300 | 61,549,560 | 142,673,860 |
| Interest and dividend receivable | - | - | 3,599 | 3,599 |
| Cash and cash equivalents | 5 | 10,495,963 | 21,743,721 | 32,239,689 |
| Total monetary assets | 5 | 91,620,263 | 83,296,880 | 174,917,148 |
| Total monetary liabilities | - | - | (401,414) | (401,414) |
| Net monetary assets | 5 | 91,620,263 | 82,895,466 | 174,515,734 |
| % change in currency | | | | |
| | 10% | | | |
| Impact on net assets | | | | |
| | 0.50 | | | |

The Manager will regularly review the economic conditions of the countries in which the Sub-Fund invests to assess their currency outlook.

The Sub-Fund has the majority of their assets and liabilities in Hong Kong dollars, the functional currency of the Sub-Fund and United States dollars which is a linked currency. The Manager considers the Sub-Fund is not exposed to significant foreign exchange risk.

The Manager has used its view of what would be a reasonable possible shift in the exchange rates to estimate the change in the sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in exchange rates % are revised annually depending on the Manager's current view of exchange rates volatility and other relevant factors.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Financial risk management (continued)

(b) Liquidity risk

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

The Sub-Fund is exposed to the daily redemptions of the units by its investors. The investment in collective investment scheme should be readily disposed of to meet the redemption payment within reasonable time.

In accordance with the Sub-Fund's policies, although the Manager will seek to select underlying schemes which offer the opportunity to have their shares or unites redeemed within a reasonable timeframe, there can be no assurance that the liquidity of the underlying schemes will always be sufficient to meet redemption request. In particular, the underlying schemes may impose redemption gates in certain situations, which means that the underlying schemes may not always be able to satisfy redemption requests from the Sub-Fund as and when made.

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

CCBI Global Premium Selection Fund

| As at 31 December 2022 | Less than 1 month HK\$ | 1-12 months HK\$ | Total HK\$ |
|-------------------------------------|---------------------------------------|-----------------------------|-----------------------|
| Management fee payable | 93,930 | - | 93,930 |
| Trustee fee payable | 72,077 | - | 72,077 |
| Redemption payable | 39,000,000 | - | 39,000,000 |
| Accrued expenses and other payables | - | 221,770 | 221,770 |
| | <hr/> | <hr/> | <hr/> |
| Contractual cash outflows | 39,166,007 | 221,770 | 39,387,777 |
| | <hr/> | <hr/> | <hr/> |
| As at 31 December 2021 | Less than 1 month HK\$ | 1-12 months HK\$ | Total HK\$ |
| Management fee payable | 120,536 | - | 120,536 |
| Trustee fee payable | 72,077 | - | 72,077 |
| Accrued expenses and other payables | - | 208,801 | 208,801 |
| | <hr/> | <hr/> | <hr/> |
| Contractual cash outflows | 192,613 | 208,801 | 401,414 |
| | <hr/> | <hr/> | <hr/> |

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Financial risk management (continued)

(b) Liquidity risk (continued)

The Sub-Fund invests a majority portion of the assets in cash and collective investment schemes. In particular, the Sub-Fund may invest in collective investment trading in Hong Kong or other countries and such investments are also easily disposed of for cash.

The following table illustrates the expected liquidity of assets held:

CCBI Global Premium Selection Fund

| As at 31 December 2022 | Less than 1 month HK\$ | 1-12 months HK\$ | 1-3 years HK\$ | Total HK\$ |
|------------------------|------------------------------|---------------------|----------------------|---------------|
| Total assets | 140,097,957 | - | - | 140,097,957 |
| As at 31 December 2021 | Less than 1 month HK\$ | 1-12 months HK\$ | 1-3 years HK\$ | Total HK\$ |
| Total assets | 174,917,148 | - | - | 174,917,148 |

(c) Credit and counterparty risk

The Sub-Fund is exposed to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when they fall due.

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

For credit risk, it primarily arises from investments in the underlying collective investment schemes and cash and cash equivalents held with financial institutions. Credit risk arises from the underlying collective investment schemes' ability to realise their investments to meet any redemptions made by the Sub-Fund. This risk is measured by reference to the available net assets in the underlying collective investment schemes.

As at 31 December 2022 and 2021, the Sub-Fund's financial assets subject to the expected credit loss model within HKFRS 9 are interest and dividend receivable and cash and cash equivalents.

The Sub-Fund has adopted general approach for these financial assets subject to HKFRS 9's impairment requirements. The loss allowance shown, if any, is therefore based on 12-month or lifetime ECLs for general approach depending on the credit quality of each respective financial assets.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Financial risk management (continued)

(c) Credit and counterparty risk (continued)

Maximum exposure and year-end staging

As at 31 December 2022 and 2021, all the financial assets subject to HKFRS 9's impairment requirements with general approach are based on 12-month ECLs as no significant increase in credit risk since initial recognition for these financial assets.

At 31 December 2022 and 2021, no loss allowance had been provided. No assets are considered impaired and no amounts have been written off in the period. The carrying amount of the Company's financial assets at FVPL as disclosed in note 6 best represents their respective maximum exposure to credit risk. The Company holds no collateral over any of these balances.

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 custodians. The table below summarises the credit rating of banks and custodians with which the Sub-Fund's assets are held as at 31 December 2022 and 2021.

CCBI Global Premium Selection Fund

| As at 31 December 2022 | HK\$ | Credit rating | Source of credit rating |
|--|-------------|---------------|-------------------------|
| <u>Bank</u> | | | |
| Industrial and Commercial Bank of China (Asia) Limited | 39,793,746 | A1 | Moody's |
| <u>Custodian</u> | | | |
| Industrial and Commercial Bank of China (Asia) Limited | 100,301,194 | A1 | Moody's |
| As at 31 December 2021 | HK\$ | Credit rating | Source of credit rating |
| <u>Bank</u> | | | |
| Industrial and Commercial Bank of China (Asia) Limited | 629,646 | A1 | Moody's |
| China Minsheng Banking Corp., Ltd. | 31,610,043 | BBB- | Standard & Poor's |
| <u>Custodian</u> | | | |
| Industrial and Commercial Bank of China (Asia) Limited | 142,673,860 | A1 | Moody's |

The maximum exposure to credit risk at year end is the carrying amount of financial assets as shown on the statement of net assets. None of the assets is impaired nor past due but not impaired.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Financial risk management (continued)

(d) Fair value estimation

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

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

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Sub-Fund use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used for non-standardised financial instruments include the use of valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Investments in quoted unlisted collective investment schemes are valued at their last traded prices as provided by the administrators of such schemes. Where last traded prices are not available, investments in these schemes are valued at their net asset value per unit as provided by the administrators of such schemes.

The carrying value of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Sub-Fund for similar financial instruments.

The fair value hierarchy has the following levels:

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

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

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

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Financial risk management (continued)

(d) Fair value estimation (continued)

The following table analyses within the fair value hierarchy the Sub-Fund's assets (by class) measured at fair value at 31 December 2022 and 2021:

CCBI Global Premium Selection Fund

| | Level 1 HK\$ | Level 2 HK\$ | Level 3 HK\$ | Total HK\$ |
|--|-------------------|--------------------|-----------------|--------------------|
| As at 31 December 2022 | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Collective investment schemes | 23,144,740 | 77,156,454 | - | 100,301,194 |
| Total financial assets | 23,144,740 | 77,156,454 | - | 100,301,194 |
| As at 31 December 2021 | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Collective investment schemes | 39,163,178 | 103,510,682 | - | 142,673,860 |
| Total financial assets | 39,163,178 | 103,510,682 | - | 142,673,860 |

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed collective investment schemes. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active and are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include quoted collective investment schemes. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuation may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Financial risk management (continued)

(d) Fair value estimation (continued)

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2022 and 2021, the Sub-Fund does not hold any investments classified in Level 3.

There were no transfers between Level 1, 2 and 3 for the years ended 31 December 2022 and 2021.

The assets and liabilities excluding the financial assets at fair value through profit or loss included in the statement of net assets are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

(e) Capital risk management

The capital of the Sub-Fund is represented by the net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis, as the Sub-Fund is subject to daily subscriptions and redemptions at the discretion of unitholders.

The Sub-Fund's objective when managing capital is to safeguard the Sub-Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and maintain a strong capital base to support the investment activities of the Sub-Fund.

In order to maintain or adjust the capital structure, the Sub-Fund's policy is to perform the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets; and
- redeem and issue new units in accordance with the trust deed of the Fund.

The Manager monitors capital on the basis of the value of net assets attributable to unitholders.

9. Net asset value per unit and number of units in issue

The following is the number of units issued by the Sub-Fund as at the reporting date:

| | 2022 Class A | 2022 Class B | 2021 Class A | 2021 Class B |
|--------------------------|--------------------|--------------------|--------------------|--------------------|
| | Number of units | Number of units | Number of units | Number of units |
| As at 31 December | - | 865,064 | - | 1,200,000 |
| | HK\$ | HK\$ | HK\$ | HK\$ |
| Net asset value per unit | - | 116.42 | - | 145.43 |

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

9. Net asset value per unit and number of units in issue (continued)

The published net asset value per unit issued is calculated in accordance with the explanatory memorandum and Trust Deed while the net asset value per unit as reported in the statement of financial position included the adjustment for recognition of all organisation cost incurred by the Sub-Fund in the statement of profit or loss and other comprehensive income and reclassification to statement of profit or loss and other comprehensive income and off-set deferred organisation expense.

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

| | 2022 HK\$ | 2021 HK\$ |
|--|--------------------|--------------------|
| Published net assets attributable to unitholders | 100,710,180 | 174,604,650 |
| Adjustment on organisation costs | - | (88,916) |
| | <hr/> | <hr/> |
| Net assets attributable to unitholders as per audited financial statements | <u>100,710,180</u> | <u>174,515,734</u> |

10. Transactions with the Manager and Trustee and their connected persons

Connected persons of the Manager and Trustee are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Fund and the Manager and Trustee 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 do not have any other transactions with connected persons except for what is disclosed in note 4 and note 7 to the financial statements and below.

(a) Bank balances with the affiliate of the Trustee

Bank balances, including the fixed deposit, maintained with Industrial and Commercial Bank of China (Asia) Limited, an affiliate company of the Trustee, as at 31 December 2022 and 2021 were as follows:

| | 2022 HK\$ | 2021 HK\$ |
|--|-------------------|----------------|
| Industrial and Commercial Bank of China (Asia) Limited | <u>39,793,746</u> | <u>629,646</u> |

During the year ended 31 December 2022, certain fixed bank deposits were arranged with the affiliate of the Trustee with weighted average original maturity period for less than 3 months (2021: less than 3 months) and the fixed bank deposits rate ranged from 0.04% to 3.85% per annum (2021: 0.01% to 0.28% per annum).

Interest income amounted to HK\$135,887 (2021: HK\$467) was earned from these bank balances during the year. No bank charges were paid during the year (2021: HK\$300).

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

10. Transactions with the Manager and Trustee and their connected persons (continued)

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

During the year ended 31 December 2021, the Sub-Fund disposed the collective investment scheme managed by the ICBC Asset Management (Global) Company Limited, who is the affiliate of the Trustee with the proceed of HK\$5,283,848. There were no transactions of financial assets at fair value through profit or loss with the manager, trustee and their connected persons during the year ended 31 December 2022.

Investment in:

ICBC ASIA INVESTMENT FUNDS - GLOBAL EMERGING ENTERPRISE FUND

| | 2022 Unit | 2021 Unit |
|-------------------------|--------------|--------------|
| Holding brought forward | - | 319,787 |
| Disposal | - | (319,787) |
| | <hr/> | <hr/> |
| | - | - |
| | <hr/> | <hr/> |

No dividend income was earned from the collective investment scheme during the year (2021: Nil).
No gain or loss were incurred from the collective investment scheme during the year (2021: Net loss of HK\$1,216,152).

(c) Holdings in the Sub-Fund

The Sub-Fund allows the Manager, Trustee, Custodian and their connected persons and other funds managed by the Manager to subscribe for, and redeem, units in the Sub-Fund. As at 31 December 2022, 865,064 of Class B Units (2021: 1,200,000 of Class B Units) were held by the Manager's fellow subsidiary.

(d) Fees earned by the Manager and its connected persons

In addition to the management fee earned by the Manager as disclosed in Note 4(a), the Manager and its connected persons do not entitle to any initial charges from unitholders of CCBI Global Premium Selection Fund for the year ended 31 December 2022 and 2021 since it is waived in accordance with the explanatory memorandum the Sub-Fund.

(e) Foreign currency transactions executed through the affiliate of the Trustee

During the year ended 31 December 2022, the Sub-Fund has executed foreign currency contracts amounting to HK\$171,578,353 (2021: HK\$96,239,449) through Industrial and Commercial Bank of China (Asia) Limited, an affiliate company of the Trustee.

11. 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.

GRAND REJUVENATION ASSET ALLOCATION FUND SERIES

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

11. Soft commission arrangements (continued)

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, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis and data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

Since the inception of the Sub-Fund, the Manager had not participated in any soft dollar arrangements in respect of any transactions for the accounts of the Sub-Fund.

12. Distributions to unitholders

For the Sub-Fund, the Manager does not intend to make distributions in respect of any Sub-Fund and any income earned by the Sub-Fund will be reinvested in that the Sub-Fund and reflected in the value of units of the relevant classes of that Sub-Fund.

13. Transaction cost

Transaction costs pertain to the broker commission for every transaction made through the broker at the average market rate based on the transaction value. Transaction costs pertain to fees such as trading fee and transaction levy for every transaction made on the exchange.

14. Organisation cost

In accordance with the provisions of the Explanatory Memorandum, organisation costs are amortised over its first five accounting periods from the date of commencement of the Sub-Fund. On the date of commencement of the Sub-Fund, organisation cost of HK\$1,154,211 was provided with no organization cost being written off during the year ended 31 December 2022.

As at 31 December 2022 and 2021, the amounts unamortised were HK\$Nil and HK\$88,916 respectively. The organisation cost was fully amortised during the current year.

Such organisation cost was expensed at the year launched per audited financial statements. For the reconciliation from the published net assets attributable to unitholders to net asset attributable to unitholders per audited financial statements, refer to Note 9 of these financial statements.

15. Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 26 April 2023.

CCBI GLOBAL PREMIUM SELECTION FUND

INVESTMENT PORTFOLIO – CCBI GLOBAL PREMIUM SELECTION FUND (UNAUDITED)

AS AT 31 DECEMBER 2022

Denominated in HKD

| | Holding | Fair value HK\$ | % of net assets |
|--|-----------|--------------------|--------------------|
| <u>Listed Investments</u> | | | |
| Collective Investment Schemes | | | |
| Hong Kong | | | |
| Global X China Clean Energy ETF | 136,200 | 15,697,050 | 15.59 |
| Global X China Elec Vehicle and Battery ETF | 12,500 | 1,411,250 | 1.40 |
| United States | | | |
| SPDR Gold Shares | 4,580 | 6,036,440 | 5.99 |
| <u>Unlisted Investments</u> | | | |
| Collective Investment Schemes | | | |
| Cayman Islands | | | |
| Fullgoal China Opportunities Fund CLASS A | 1,935 | 12,810,351 | 12.72 |
| Hong Kong | | | |
| CUAM China-Hong Kong Strategy Fund - Class I | 281,265 | 9,407,457 | 9.34 |
| CUAM Select US Dollar Bond Fund - Class I | 1,376,771 | 8,661,238 | 8.60 |
| Luxembourg | | | |
| Fullgoal China Small-Mid Cap Growth Fund - IIUSD | 938 | 21,801,879 | 21.65 |
| Fundsmith Equity Fund Feeder - I ACC USD | 104,457 | 24,475,529 | 24.30 |
| | | <hr/> | <hr/> |
| TOTAL INVESTMENTS PORTFOLIO | | 100,301,194 | 99.59 |
| OTHER NET ASSETS | | 408,986 | 0.41 |
| | | <hr/> | <hr/> |
| NET ASSETS AS AT 31 DECEMBER 2022 | | 100,710,180 | 100.00 |
| | | <hr/> | <hr/> |
| TOTAL INVESTMENT, AT COST | | 82,943,019 | |
| | | <hr/> | |

Note: Investments are accounted for on a trade-date basis.

CCBI GLOBAL PREMIUM SELECTION FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2022

| | At 1 January 2022 | Additions | Disposal | At 31 December 2022 |
|---|----------------------|-----------|-----------|---------------------------|
| <u>Listed Investments</u> | | | | |
| Collective Investment Schemes | | | | |
| Hong Kong | | | | |
| Global X China Elec Vehicle and Battery ETF | 171,050 | 10,000 | (168,550) | 12,500 |
| Global X China Clean Energy ETF | - | 202,000 | (65,800) | 136,200 |
| Global X China Semiconductor ETF | - | 80,000 | (80,000) | - |
| United States | | | | |
| SPDR Gold Shares | 6,000 | 6,580 | (8,000) | 4,580 |
| <u>Unlisted Investments</u> | | | | |
| Collective Investment Schemes | | | | |
| Cayman Islands | | | | |
| Fullgoal China Opportunities Fund CLASS A | 826 | 1,109 | - | 1,935 |
| Hong Kong | | | | |
| CISI Selection Fund Series - China Core Asset Fund Class I (HKD) | 32,352 | - | (32,352) | - |
| CUAM China-Hong Kong Strategy Fund - Class I | 501,681 | - | (220,416) | 281,265 |
| CUAM Select US Dollar Bond Fund - Class I | - | 1,376,771 | - | 1,376,771 |
| Haitong Hong Kong Equity Investment Fund - I USD | 5,200 | 5,585 | (10,785) | - |
| Luxembourg | | | | |
| Fundsmith Equity Fund Feeder - I ACC USD | 104,457 | - | - | 104,457 |
| Fullgoal China Small-Mid Cap Growth Fund - IIUSD | 1,230 | - | (292) | 938 |

CCBI GLOBAL PREMIUM SELECTION FUND

PERFORMANCE TABLE (UNAUDITED)

NET ASSET VALUES

| SUB-FUND | FINANCIAL YEAR ENDED | NET ASSET VALUE OF THE SUB-FUND | | NET ASSET VALUE PER UNIT | |
|---------------------------------------|-------------------------|------------------------------------|-------------|-----------------------------|---------|
| | | Class A | Class B | Class A | Class B |
| | | HK\$ | HK\$ | HK\$ | HK\$ |
| CCBI GLOBAL PREMIUM SELECTION FUND | 31.12.2022 | - | 100,710,180 | - | 116.42 |
| | 31.12.2021 | - | 174,515,734 | - | 145.43 |
| | 31.12.2020 | - | 171,407,301 | - | 142.84 |

| SUB-FUND | FINANCIAL YEAR ENDED | HIGHEST PRICE PER UNIT | | LOWEST PRICE PER UNIT | |
|---------------------------------------|-------------------------|---------------------------|---------|--------------------------|---------|
| | | Class A | Class B | Class A | Class B |
| | | HK\$ | HK\$ | HK\$ | HK\$ |
| CCBI GLOBAL PREMIUM SELECTION FUND | 31.12.2022 | - | 146.13 | - | 111.25 |
| | 31.12.2021 | - | 161.61 | - | 135.02 |
| | 31.12.2020 | - | 143.08 | - | 92.50 |
| | 31.12.2019 | - | 110.85 | - | 96.30 |
| | 31.12.2018 | - | 112.66 | - | 96.04 |
| | 31.12.2017 ¹ | - | 107.10 | - | 99.55 |

¹ Year of inception