

ANNUAL REPORT

CHINA UNIVERSAL INTERNATIONAL SERIES -
CUAM HONG KONG DOLLAR BOND FUND

(A sub-fund of China Universal International Series, an umbrella unit trust
established under the laws of Hong Kong)

31 December 2023

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

CONTENTS

| | Pages |
|--|---------|
| ADMINISTRATION AND MANAGEMENT | 1 |
| REPORT OF THE MANAGER | 2 |
| REPORT OF THE TRUSTEE TO THE UNITHOLDERS | 3 |
| INDEPENDENT AUDITOR'S REPORT | 4 - 6 |
| AUDITED FINANCIAL STATEMENTS | |
| Statement of profit or loss and other comprehensive income | 7 |
| Statement of financial position | 8 |
| Statement of changes in net assets attributable to unitholders | 9 |
| Statement of cash flows | 10 |
| Notes to the financial statements | 11 - 38 |
| UNAUDITED INVESTMENT PORTFOLIO | 39 - 42 |
| UNAUDITED STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS | 43 - 51 |
| UNAUDITED PERFORMANCE TABLE | 52 - 54 |

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

ADMINISTRATION AND MANAGEMENT

MANAGER

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

TRUSTEE AND REGISTRAR

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

DIRECTORS OF THE MANAGER

LI Wen
ZHANG Hui
DONG Liqing

AUDITOR

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

SOLICITORS TO THE MANAGER

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

CUSTODIAN

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

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

REPORT OF THE MANAGER

Hong Kong remains as a leading bond hub in Asia in terms of issuance in Asia ex-Japan, following Mainland China and Korea. While the local currency – Hong Kong Dollar (“HKD”) bond outstanding amount takes only a small portion compared with the aggregate amount of offshore renminbi (“CNH”) and US dollar, Euro dollar or Japanese Yen (“G3”) bonds in Hong Kong, HKD bond market is known for good quality, as treasury, government-related and other high grade issuers constitute significant portion of the market share, and it has been relatively stable in issuance amount and credit performance.

Throughout the year 2023, HKD bond market delivered overall positive return amidst a complexity of global and regional trends: continuation of 4 US federal funds rate hikes during the first 3 quarters, following 7 times in the previous year; concerns for US regional bank crisis bringing out universal risk aversion in March; lasting gloomy atmosphere during most of time in China property sector – which exerted pressure on Hong Kong property issuers as well, and elevated geopolitical tensions around the globe; however, short-term chances for rate chasing in January and March, and especially after the Board of Governors of the Federal Reserve System (the “Fed”) pivot in Q4, can be main targets for extra return based on overall high quality bond portfolio.

As for HKD short-term rate in 2023, Hong Kong Interbank Offered Rate for the interest period of three month for Hong Kong Dollars was volatile due to both US rate moves and its internal drivers, surging from 3.43% in the mid of February to a peak of 5.73% in late November, and then retreating to 5.15% by the year end. For CUAM Hong Kong Dollar Bond Fund (the “Sub-Fund”), we strategically focused on interest risk and liquidity management, which delivered a relatively stable return. Assuming dividends were reinvested, the Hong Kong Dollar Class I units of the Sub-Fund achieved a 2.76% return during the year; the Hong Kong Dollar Class A units of the Sub-Fund achieved a 2.51% return during the year; the US Dollar Class I units of the Sub-Fund achieved a 2.56% return during the year; the Renminbi Class I units of the Sub-Fund achieved a 5.55% return during the year; the Renminbi Class A units of the Sub-Fund achieved a 5.29% return during the year¹.

Looking forward, although mindful that market will continue to face uncertainties, we are getting overall more optimistic towards the performance of HKD bond market, anticipating more chance from both US rate move and our credit strategy, and aiming for a decent return for the coming year.

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

26 April 2024

¹ Investment involves risks. The unit price of the Sub-Fund may go down as well as up and the past performance of the Sub-Fund does not indicate future return.

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
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REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager, China Universal Asset Management (Hong Kong) Company Limited, has, in all material respects, managed China Universal International Series – CUAM Hong Kong Dollar Bond Fund for the year ended 31 December 2023 in accordance with the provisions of the trust deed dated 29 December 2011 as amended and supplemented from time to time (the “Trust Deed”).

On behalf of
BOCI-Prudential Trustee Limited, the Trustee

26 April 2024

Independent auditor's report

To the unitholder of

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND

(A sub-fund of China Universal International Series, an umbrella unit trust established under the laws of Hong Kong)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of China Universal International Series – CUAM Hong Kong Dollar Bond Fund (a sub-fund of China Universal International Series (the "Trust") and referred to as the "Sub-Fund") set out on pages 7 to 38, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the year then ended, and notes to the financial statements, including 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 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 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.

Other information

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 unitholder of

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND

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Responsibilities of the Manager and the Trustee for the financial statements

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

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

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 29 December 2011, as amended by supplemental deeds (collectively, the "Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds ("the SFC Code") issued by the Hong Kong Securities and Futures Commission.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Independent auditor's report (continued)

To the unitholder of

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND

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

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

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

Report on matters under the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code

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

Certified Public Accountants
Hong Kong
26 April 2024

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

| | Notes | 2023 HK\$ | 2022 HK\$ |
|--|-------|-------------------------|----------------------------|
| INCOME | | | |
| Interest income on financial assets at fair value through profit or loss | | 8,759,014 | 12,107,585 |
| Other interest income | | 24,728 | 4,858 |
| Net gain/(losses) on financial assets at fair value through profit or loss | 7 | 449,540 | (28,620,317) |
| Foreign exchange differences | | 21,694 | 30,393 |
| Other income | | 2,002 | 4,641 |
| | | <u>9,256,978</u> | <u>(16,472,840)</u> |
| EXPENSES | | | |
| Management fee | 4 | (2,278,140) | (3,244,226) |
| Trustee fee | 4 | (499,813) | (687,905) |
| Custodian fee | 4 | (130,122) | (94,512) |
| License fee | | (6,375) | (6,375) |
| Bank charges | 4 | (3,780) | (3,780) |
| Legal and professional fee | | (34,773) | - |
| Other expenses | | (31,700) | - |
| | | <u>(2,984,703)</u> | <u>(4,036,798)</u> |
| OPERATING PROFIT/(LOSS) | | 6,272,275 | (20,509,638) |
| FINANCE COSTS | | | |
| Distributions to unitholders | 6 | <u>(3,151,065)</u> | <u>(4,501,542)</u> |
| INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u><u>3,121,210</u></u> | <u><u>(25,011,180)</u></u> |

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

STATEMENT OF FINANCIAL POSITION

31 December 2023

| | Notes | 2023 HK\$ | 2022 HK\$ |
|---|-------|--------------------|--------------------|
| ASSETS | | | |
| Financial assets at fair value through profit or loss | 7 | 228,442,064 | 375,413,946 |
| Prepayment | | 6,000 | 6,375 |
| Due from the Manager | 4 | - | 600 |
| Amount due from broker | 9 | 3,958,666 | - |
| Interest receivables | | 1,848,133 | 2,204,129 |
| Cash and cash equivalents | 10 | 5,494,125 | 43,841,995 |
| TOTAL ASSETS | | <u>239,748,988</u> | <u>421,467,045</u> |
| LIABILITIES | | | |
| Management fee payable | 4 | 143,028 | 242,743 |
| Trustee fee payable | 4 | 35,000 | 52,135 |
| Amount due to broker | 9 | - | 11,271,483 |
| Redemption proceeds payable | | - | 6,072,660 |
| Other payables and accruals | | 2,950 | 600 |
| TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u>180,978</u> | <u>17,639,621</u> |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u>239,568,010</u> | <u>403,827,424</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>239,748,988</u> | <u>421,467,045</u> |

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2023

| | Note | Number of units | HK\$ |
|--|------|-------------------------|-----------------------|
| At 1 January 2022 | 11 | 61,507,966.112 | 593,939,478 |
| Subscription of units | | | |
| - Class A (HKD) units | | 1,417,624.262 | 13,357,277 |
| - Class A (USD) units | | 17,808.349 | 132,379 |
| - Class A (RMB) units | | 96,169.427 | 1,091,590 |
| - Class I (HKD) units | | 46,004.336 | 428,792 |
| - Class I (USD) units | | 7,176.825 | 51,684 |
| - Class I (RMB) units | | 6,845.984 | 71,209 |
| | | <u>1,591,629.183</u> | <u>15,132,931</u> |
| Redemption of units | | | |
| - Class A (HKD) units | | (12,508,011.749) | (117,298,471) |
| - Class A (USD) units | | (137,323.143) | (1,015,003) |
| - Class A (RMB) units | | (807.651) | (9,229) |
| - Class I (HKD) units | | (6,429,115.135) | (61,911,102) |
| | | <u>(19,075,257.678)</u> | <u>(180,233,805)</u> |
| Decrease in net assets attributable to unitholders during the year | | <u>-</u> | <u>(25,011,180)</u> |
| At 31 December 2022 and 1 January 2023 | 11 | 44,024,337.617 | 403,827,424 |
| Subscription of units | | | |
| - Class A (HKD) units | | 1,337,167.237 | 12,377,382 |
| - Class A (RMB) units | | 116,709.051 | 1,331,242 |
| - Class I (HKD) units | | 33,621.959 | 310,760 |
| - Class I (USD) units | | 7,218.187 | 51,621 |
| - Class I (RMB) units | | 6,856.780 | 70,873 |
| | | <u>1,501,573.214</u> | <u>14,141,878</u> |
| Redemption of units | | | |
| - Class A (HKD) units | | (14,787,627.126) | (135,846,063) |
| - Class A (RMB) units | | (36,476.528) | (420,153) |
| - Class I (HKD) units | | (4,536,507.849) | (41,720,239) |
| - Class I (USD) units | | (499,001.996) | (3,536,047) |
| | | <u>(19,859,613.499)</u> | <u>(181,522,502)</u> |
| Increase in net assets attributable to unitholders during the year | | <u>-</u> | <u>3,121,210</u> |
| At 31 December 2023 | 11 | <u>25,666,297.332</u> | <u>239,568,010</u> |

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

STATEMENT OF CASH FLOWS

Year ended 31 December 2023

| | Note | 2023 HK\$ | 2022 HK\$ |
|--|------|-------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Increase/(decrease) in net assets attributable to unitholders | | 3,121,210 | (25,011,180) |
| Adjustments for: | | | |
| Interest income on financial assets at fair value through profit or loss | | (8,759,014) | (12,107,585) |
| Other interest income | | (24,728) | (4,858) |
| Distribution to unitholders | | <u>3,151,065</u> | <u>4,501,542</u> |
| | | (2,511,467) | (32,622,081) |
| Decrease in financial assets at fair value through profit or loss | | 146,971,882 | 176,820,747 |
| Decrease in amount due from the Manager | | 600 | 10,400 |
| Decrease in prepayment | | 375 | - |
| Increase in amount due from broker | | (3,958,666) | - |
| Decrease in management fee payable | | (99,715) | (104,446) |
| Decrease in trustee fee payable | | (17,135) | (21,929) |
| (Decrease)/increase in amount due to a broker | | (11,271,483) | 11,271,483 |
| Increase/(decrease) in other payables and accruals | | <u>2,350</u> | <u>(2,500)</u> |
| Cash generated from operations | | 129,116,741 | 155,351,674 |
| Interest received | | <u>9,139,738</u> | <u>13,687,211</u> |
| Net cash flows from operating activities | | <u>138,256,479</u> | <u>169,038,885</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of units | | 14,141,878 | 15,132,931 |
| Payments for redemption of units | | (187,595,162) | (174,161,145) |
| Distribution to unitholders | | <u>(3,151,065)</u> | <u>(4,501,542)</u> |
| Net cash flows used in financing activities | | <u>(176,604,349)</u> | <u>(163,529,756)</u> |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (38,347,870) | 5,509,129 |
| Cash and cash equivalents at beginning of year | | <u>43,841,995</u> | <u>38,332,866</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | <u><u>5,494,125</u></u> | <u><u>43,841,995</u></u> |
| ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 10 | <u><u>5,494,125</u></u> | <u><u>43,841,995</u></u> |

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

1. THE SUB-FUND

China Universal International Series (the "Trust") was constituted as an open-ended unit trust established under the laws of Hong Kong pursuant to the trust deed dated 29 December 2011 as amended and supplemented from time to time (the "Trust Deed"). As at 31 December 2023, the Trust consists of five sub-funds namely CUAM RMB Bondplus Fund, CUAM China-Hong Kong Strategy Fund, CUAM Hong Kong Dollar Bond Fund, CUAM Select US Dollar Bond Fund and CUAM USD Money Market Fund.

CUAM Hong Kong Dollar Bond Fund (the "Sub-Fund") was commenced as a separate sub-fund of the Trust on 2 September 2013. The Sub-Fund is an open-ended unit trust authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under Section 104(1) of the Securities and Futures Ordinance (the "SFO") and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC (the "SFC Code"). Authorisation by the SFC does not imply official approval or recommendation.

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

Two classes of units, namely Class A units and Class I units, are available for subscription for the Sub-Fund. Class A units and Class I units are subject to different management fees. For the year ended 31 December 2023, both Class A units and Class I units were in issue.

The Sub-Fund mainly invests in debt securities issued or fully guaranteed by governments, government agencies, supranational and corporate. The debt securities instruments in which the Sub-Fund may invest include (but not limited to) long-term bonds, medium-term notes, bills, convertible bonds, subordinated debt, asset-backed debt securities, certificate of deposits and commercial papers. The Sub-Fund will invest more than 70% of its net asset value in Hong Kong Dollar denominated debt securities and certificates of deposits, and not more than 30% of its net asset value will be invested in other currency denominated debt securities.

The investment objective of the Sub-Fund is to seek to provide investors with a stable and consistent investment return over medium to long term by investing primarily in Hong Kong Dollar denominated debt securities instruments.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E to the SFC Code.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.1 BASIS OF PREPARATION (continued)

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

2.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 1 and HKFRS Practice Statement 2 *Disclosure of Accounting Policies*

Amendments to HKAS 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 an entity'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 HKFRS 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 HKAS 8 *Definition of Accounting Estimates*

Amendments to HKAS 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 HONG KONG FINANCIAL REPORTING STANDARDS

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4 MATERIAL ACCOUNTING POLICIES

Financial instruments

(i) **Classification**

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

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

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

Financial assets

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

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

Financial assets measured at amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

(i) **Classification** (continued)

Financial assets (continued)

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

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

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

The Sub-Fund includes in this category:

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

Financial liabilities

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

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

Financial liabilities measured at amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) **Recognition**

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

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

(iii) **Initial measurement**

Financial assets 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.

(iv) **Subsequent measurement**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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

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

(v) **Derecognition**

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

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

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

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

Fair value measurement

The Sub-Fund measures financial instruments, such as, debt securities 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

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

For all other financial instruments not traded in an active market, the fair value is determined by using the last traded price or valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach and income approach.

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

- Level 1 - Based on quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Cash and cash equivalents

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

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

Foreign currency

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

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

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

Functional currency

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

Net assets attributable to unitholders

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Interest income

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

Net (losses)/gains on financial assets at fair value through profit or loss

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

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

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

Related parties

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

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

- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Taxes

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

Distributions to unitholders

Distributions are at the discretion of the Manager. A distribution to the Sub-Fund's unitholders is included in profit or loss as the "finance costs". A proposed distribution is recognised as a liability in the year in which it is approved by the Manager of the Sub-Fund.

Amounts due to and due from brokers

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to above for the accounting policy for recognition and measurement of financial liabilities, other than those classified as at FVPL.

Amounts due from brokers include receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for loans and receivables for recognition and measurement.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Estimates and assumptions

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

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

Holdings of the Sub-Fund

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

During the year ended 31 December 2023, the Manager had no subscription and redemption of Class I (HKD) and Class A (HKD).

During the year ended 31 December 2022, the Manager had redemptions of HK\$60,468,852 in Class I (HKD) and HK\$748,797 in Class A (HKD).

The holdings of Class I and Class A in the Sub-Fund by the Manager as at 31 December 2022 were as follows:

| At 31 December 2022 | Units outstanding at 31 December 2021 | Units subscribed during the year | Units redeemed during the year | Units outstanding at 31 December 2022 |
|--|--|---|---|--|
| CUAM Hong Kong Dollar Bond Fund – Class I (HKD) | 6,279,115.135 | - | (6,279,115.135) | - |
| CUAM Hong Kong Dollar Bond Fund – Class A (HKD) | 78,129.951 | - | (78,129.951) | - |

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

Investment in securities issued by a connected person of the Trustee

The Sub-Fund invested in quoted debt securities issued by connected persons of the Trustee. The number of shares and the amount invested by the Sub-Fund as at 31 December 2023 and 2022 were as follows:

31 December 2023

| | Closing holding as at 31 December 2023 | Market value as at 31 December 2023 HK\$ | % of net assets as at 31 December 2023 | Purchase HK\$ | Sales HK\$ | Net gains/ (losses) on the investments during 2023 HK\$ |
|---|--|---|--|------------------|---------------|--|
| BANK OF CHINA HONG KONG LTD 5.9% S/A PERP REGS | - | - | - | - | 15,708,966 | 54,579 |
| BOC AVIATION USA CORP 4.875% S/A 03MAY2033 REGS | - | - | - | (3,895,447) | 3,728,156 | (167,291) |

31 December 2022

| | Closing holding as at 31 December 2022 | Market value as at 31 December 2022 HK\$ | % of net assets as at 31 December 2022 | Purchase HK\$ | Sales HK\$ | Net gains/ (losses) on the investments during 2022 HK\$ |
|--|--|---|--|------------------|---------------|--|
| BANK OF CHINA LTD/HONG KONG 2.59% A 25JUL2022 FXCD | - | - | - | - | 1,000,000 | (12,160) |
| BANK OF CHINA HONG KONG LTD 5.9% S/A PERP REGS | 2,000,000 | 15,654,387 | 3.88% | (15,812,815) | - | (158,428) |

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

Interest Income earned from investments in debt securities issued by a connected person of the Trustee

For the year ended 31 December 2023, the interest earned from the debt securities issued by Bank of China Limited, an affiliate company of the Trustee of the Sub-Fund was HK\$231,459 (2022: HK\$257,326).

Investment and other handling fees

The Sub-Fund pays investment handling fee of HK\$100 per transaction and other handling fees to the Trustee. For the year ended 31 December 2023, the total amount of investment and other handling fees was nil (2022: HK\$26,150) and it was borne by the Manager.

Bank charges with a connected person of the Trustee

For the year ended 31 December 2023, the bank charges paid to Bank of China (Hong Kong) Limited, an affiliate company of the Trustee of the Sub-Fund was HK\$900 (2022: HK\$900).

Custodian fee

The Custodian is entitled to receive, on an annual basis, custodian fees from the Sub-Fund, at a rate up to 0.1% per annum of the net assets attributable to unitholders of the Sub-Fund calculated and is paid monthly in arrears. For the year ended 31 December 2023, the custodian fee was HK\$130,122 (2022: HK\$94,512).

Brokerage commission

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

Year ended 31 December 2023

| | Aggregate value of purchases and sales of securities HK\$ | Total commission paid HK\$ | % of Sub- Fund's total transactions during the year | Average Commission rate (%) |
|--------------------------------------|--|-------------------------------------|---|-----------------------------------|
| Bank of China (Hong Kong) Limited | 159,224,480 | - | 15.19% | - |

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

Brokerage commission (continued)

Year ended 31 December 2022

| | Aggregate value of purchases and sales of securities HK\$ | Total commission paid HK\$ | % of Sub- Fund's total transactions during the year | Average Commission rate (%) |
|--------------------------------------|--|-------------------------------------|---|-----------------------------------|
| Bank of China (Hong Kong) Limited | 130,767,148 | - | 12.97% | - |
| BOCI Securities Limited | 2,894,958 | - | 0.29% | - |

Bank deposits and investments held by the Trustee's affiliates

The Sub-Fund's investments were held by the Trustee's affiliate, Bank of China (Hong Kong) Limited. As at 31 December 2023, bank balances of the Sub-Fund held by the Trustee's affiliate were HK\$5,494,125 (2022: HK\$43,841,995) and the interest income on these bank balances for the year was HK\$24,728 (2022: HK\$4,858).

Management fee

The Manager is entitled to receive, on an annual basis, a management fee from the Sub-Fund, at a rate of 0.75% for Class A units and 0.5% for Class I units per annum (up to maximum of 3% per annum in total by giving not less than one month's prior notice to the unitholders) with respect to the net assets attributable to unitholders of each class of the Sub-Fund calculated and accrued on each dealing day and are paid monthly in arrears. For the year ended 31 December 2023, the management fee was HK\$2,278,140 (2022: HK\$3,244,226).

Trustee fee

The Trustee is entitled to receive, on an annual basis, a trustee fee from the Sub-Fund, at the current rate being up to 0.15% per annum (up to maximum of 0.5% per annum by giving not less than one month's prior notice to the unitholders) of the net assets attributable to unitholders of the Sub-Fund calculated, subject to a minimum monthly fee of HK\$35,000, and accrued on each dealing day and is paid monthly in arrears. For the year ended 31 December 2023, the trustee fee was HK\$499,813 (2022: HK\$687,905).

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

Certain charges, fees and expenses borne by the Manager

Pursuant to the latest Explanatory Memorandum of the Sub-Fund, certain charges, fees and expenses, including auditors' remuneration and legal and other professional fees, etc., which are attributable to the Sub-Fund are borne by the Manager at its discretion starting from 1 January 2014 until a future date as notified by the Manager. For the year ended 31 December 2023, the Manager bore and paid a total sum of HK\$168,447 for the Sub-Fund (2022: HK\$408,441).

For the year ended 31 December 2023, certain fees such as transaction fee paid to the Custodian were HK\$660 (2022: HK\$53,596) and these were borne by the Manager.

As at 31 December 2022, the Sub-Fund has an amount due from the Manager of HK\$600 related to certain charges, fees and expenses borne by the Manager. The balance with the Manager is unsecured, interest-free and repayable on demand.

5. INCOME TAX

Hong Kong

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

6. DISTRIBUTIONS

| | HK\$ |
|---|--------------------|
| Undistributed income at 1 January 2022 | - |
| Decrease in net assets attributable to unitholders during the year | (25,011,180) |
| Add: Finance costs – distribution to unitholders | 4,501,542 |
| Add: Net loss on financial assets at fair value through profit or loss | <u>28,620,317</u> |
| Undistributed income before distribution | 8,110,679 |
| 2022 interim distribution (Class A HKD: HK\$ 0.0239 per unit, Class I HKD: HK\$ 0.0239 per unit, Class I USD: US\$ 0.0024 per unit, Class A RMB: RMB 0.0242 per unit, Class I RMB: RMB 0.0217 per unit) distributed on 15 March 2022 | (1,201,452) |
| 2022 interim distribution (Class A HKD: HK\$ 0.0235 per unit, Class I HKD: HK\$ 0.0236 per unit, Class I USD: US\$ 0.0023 per unit, Class A RMB: RMB 0.0252 per unit, Class I RMB: RMB 0.0226 per unit) distributed on 15 June 2022 | (1,172,879) |
| 2022 interim distribution (Class A HKD: HK\$ 0.0233 per unit, Class I HKD: HK\$ 0.0234 per unit, Class I USD: US\$ 0.0023 per unit, Class A RMB: RMB 0.0251 per unit, Class I RMB: RMB 0.0226 per unit) distributed on 15 September 2022 | (1,106,327) |
| 2022 final distribution (Class A HKD: HK\$ 0.0229 per unit, Class I HKD: HK\$ 0.0230 per unit, Class I USD: US\$ 0.0023 per unit, Class A RMB: RMB 0.0256 per unit, Class I RMB: RMB 0.0231 per unit) distributed on 15 December 2022 | <u>(1,020,884)</u> |
| Total distributions during the year | (4,501,542) |
| Transfer to capital | <u>(3,609,137)</u> |
| Undistributed income at 31 December 2022 and 1 January 2023 | <u><u>-</u></u> |

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

6. DISTRIBUTIONS (continued)

| | HK\$ |
|---|--------------------|
| Undistributed income at 31 December 2022 and 1 January 2023 | - |
| Increase in net assets attributable to unitholders during the year | 3,121,210 |
| Add: Finance costs – distribution to unitholders | 3,151,065 |
| Less: Net gain on financial assets at fair value through profit or loss | <u>(449,540)</u> |
| Undistributed income before distribution | 5,822,735 |
| 2023 interim distribution (Class A HKD: HK\$ 0.0231 per unit, Class I HKD: HK\$ 0.0232 per unit, Class I USD: US\$ 0.0023 per unit, Class A RMB: RMB 0.0251 per unit, Class I RMB: RMB 0.0226 per unit) distributed on 15 March 2023 | (950,109) |
| 2023 interim distribution (Class A HKD: HK\$ 0.0232 per unit, Class I HKD: HK\$ 0.0234 per unit, Class I USD: US\$ 0.0023 per unit, Class A RMB: RMB 0.0257 per unit, Class I RMB: RMB 0.0232 per unit) distributed on 15 June 2023 | (865,170) |
| 2023 interim distribution (Class A HKD: HK\$ 0.0228 per unit, Class I HKD: HK\$ 0.0229 per unit, Class I USD: US\$ 0.0023 per unit, Class A RMB: RMB 0.0265 per unit, Class I RMB: RMB 0.0239 per unit) distributed on 15 September 2023 | (748,220) |
| 2023 final distribution (Class A HKD: HK\$ 0.0229 per unit, Class I HKD: HK\$ 0.0230 per unit, Class I USD: US\$ 0.0023 per unit, Class A RMB: RMB 0.0264 per unit, Class I RMB: RMB 0.0238 per unit) distributed on 15 December 2023 | <u>(587,566)</u> |
| Total distributions during the year | (3,151,065) |
| Transfer to capital | <u>(2,671,670)</u> |
| Undistributed income at 31 December 2023 | <u><u>-</u></u> |

The amount available for distribution is the total net amount receivable by the Sub-Fund in respect of the relevant period ("Total Income") minus any expenses chargeable against income, subject to adjustments made in accordance with the Trust Deed. Total Income would include amount receivable by way of interests (e.g. generated from bank deposits and debt securities), or other receipts as determined by the Manager to be in the nature of income. Capital gains or losses, whether realised or unrealised, do not form part of Total Income and therefore would not impact on the amount available for distribution.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2023 HK\$ | 2022 HK\$ |
|---|--------------------|---------------------|
| Quoted debt securities | <u>228,442,064</u> | <u>375,413,946</u> |
| Total financial assets at fair value through profit or loss | <u>228,442,064</u> | <u>375,413,946</u> |
| Net gain/(losses) recognised in relation to financial assets at fair value through profit or loss: | | |
| Realised losses | (19,483,148) | (14,069,019) |
| Net change in unrealized gain/(losses) | <u>19,932,688</u> | <u>(14,551,298)</u> |
| Net gains/(losses) | <u>449,540</u> | <u>(28,620,317)</u> |

As at 31 December 2023 and 2022, all the quoted debt securities were classified as financial assets at fair value through profit or loss as they were held for trading.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows an analysis of the Sub-Fund's financial assets measured at fair value at 31 December 2023 and 31 December 2022.

| At 31 December 2023 | Quoted prices in active markets (Level 1) HK\$ | Significant observable inputs (Level 2) HK\$ | Significant unobservable inputs (Level 3) HK\$ | Total HK\$ |
|---|--|--|--|--------------------|
| <u>Financial assets at fair value through profit or loss:</u> | | | | |
| Quoted debt securities | - | <u>228,442,064</u> | - | <u>228,442,064</u> |
| | <u>-</u> | <u>228,442,064</u> | <u>-</u> | <u>228,442,064</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

8. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

| At 31 December 2022 | Quoted prices in active markets (Level 1) HK\$ | Significant observable inputs (Level 2) HK\$ | Significant unobservable inputs (Level 3) HK\$ | Total HK\$ |
|---|--|--|--|---------------|
| <u>Financial assets at fair value through profit or loss:</u> | | | | |
| Quoted debt securities | - | 375,413,946 | - | 375,413,946 |
| | - | 375,413,946 | - | 375,413,946 |

During the years ended 31 December 2023 and 31 December 2022, there are no transfers of fair value measurements between Level 1, Level 2 and Level 3.

Valuation techniques

Quoted debt securities

The Sub-Fund invests in corporate bonds and government bonds. 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. In the absence of a quoted price in an active market, they are valued using observable inputs such as recently executed transaction prices in securities of the issuers or comparable issuers and yield curves. Adjustments are made to valuation when necessary to recognise differences in the instrument terms. To the extent that the significant inputs are observable, the Sub-Fund categorises these investments as Level 2.

9. AMOUNT DUE FROM/TO BROKER

| | 2023 HK\$ | 2022 HK\$ |
|---|--------------|--------------|
| Amount due from broker | | |
| - receivables for securities sold but not yet settled | 3,958,666 | - |
| Amount due to broker | | |
| - payables for securities purchased but not yet settled | - | 11,271,483 |

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

10. CASH AND CASH EQUIVALENTS

The bank balance is the cash at bank held with the Custodian of the Sub-Fund that was placed into accounts bearing floating interest.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

11. DETAILS ON UNITS

The following is the number of units in issue and net assets attributable to unitholders per unit of the Sub-Fund as at 31 December 2023 and 2022:

| | Number of Class A (HKD) units | Number of Class A (RMB) units | Number of Class I (HKD) units | Number of Class I (USD) units | Number of Class I (RMB) units |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Number of units in issue | | | | | |
| At 31 December 2023 | 21,116,331.248 | 177,195.918 | 2,956,120.105 | 721,537.851 | 695,112.210 |
| At 31 December 2022 | 34,566,791.137 | 96,963.395 | 7,459,005.995 | 1,213,321.660 | 688,255.430 |
| Net assets attributable to unitholders per unit | | | | | |
| | HK\$ | RMB | HK\$ | US\$ | RMB |
| At 31 December 2023 | 9.338 | 10.595 | 9.400 | 0.930 | 9.565 |
| At 31 December 2022 | 9.201 | 10.163 | 9.239 | 0.915 | 9.152 |

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

Risk management

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

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

Market risk

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

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

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

- Interest rate risk
- Foreign exchange risk

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 financial instruments and future cash flow.

As the Sub-Fund has invested in fixed income 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 fixed income 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, monitor changes in interest rates outlook and takes appropriate measures accordingly to control the impact of interest rate risk.

The majority of interest rate exposure arises on investments in debt securities. All of the Sub-Fund's investments in debt securities carry fixed interest rates and the average duration of the fixed income portion is around 3.67 (2022: 0.97). The Manager considers the movement in interest rates will have insignificant impact on the interest income.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

Risk management (continued)

Market risk (continued)

Interest rate risk (continued)

The following table demonstrates the sensitivity of the Sub-Fund's profit or loss for the year to a reasonable possible change in interest rates, with all other variables held constant.

The sensitivity of both the net assets attributable to unitholders and the change in net assets attributable to unitholders from operations is the effect of the assumed changes in interest rates on changes in fair value of investments for the year, based on revaluing fixed rate financial assets at the end of the reporting period. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be significant.

As at 31 December 2023

| | Financial assets at fair value through profit or loss HK\$ | Change in basis points | Sensitivity of changes in fair value of investments HK\$ |
|------------------------|--|------------------------------|---|
| Quoted debt securities | 228,442,064 | +/-50 | -/+4,190,000 |

As at 31 December 2022

| | Financial assets at fair value through profit or loss HK\$ | Change in basis points | Sensitivity of changes in fair value of investments HK\$ |
|------------------------|--|------------------------------|---|
| Quoted debt securities | 375,413,946 | +/-50 | -/+1,800,000 |

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 predominately denominated in HK\$, the functional currency of the Sub-Fund. Other transactions are denominated in United States dollars ("US\$") and Renminbi ("RMB"). Since the HK\$ is pegged to the US\$ and the Sub-Fund held insignificant amount of Renminbi denominated assets, 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

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

Risk management (continued)

Liquidity risk

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

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

Financial liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

Risk management (continued)

Liquidity risk (continued)

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.

At 31 December 2023

| | On demand HK\$ | Less than 3 months HK\$ | 3 to 12 months HK\$ | Others HK\$ | Total HK\$ |
|---|-------------------|-------------------------------|---------------------------|--------------------|--------------------|
| <u>Financial assets</u> | | | | | |
| Financial assets at fair value through profit or loss | | | | | |
| Amount due from broker | - | 228,442,064 | - | - | 228,442,064 |
| Interest receivables | - | 3,958,666 | - | - | 3,958,666 |
| Cash and cash equivalents | 5,494,125 | 1,538,403 | 309,730 | - | 1,848,133 |
| | <u>5,494,125</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,494,125</u> |
| Total financial assets | <u>5,494,125</u> | <u>233,939,133</u> | <u>309,730</u> | <u>-</u> | <u>239,742,988</u> |
| <u>Financial liabilities</u> | | | | | |
| Management fee payable | - | 143,028 | - | - | 143,028 |
| Trustee fee payable | - | 35,000 | - | - | 35,000 |
| Other payables and accruals | - | 2,950 | - | - | 2,950 |
| Net assets attributable to unitholders* | <u>-</u> | <u>-</u> | <u>-</u> | <u>239,568,010</u> | <u>239,568,010</u> |
| Total financial liabilities | <u>-</u> | <u>180,978</u> | <u>-</u> | <u>239,568,010</u> | <u>239,748,988</u> |

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

Risk management (continued)

Liquidity risk (continued)

At 31 December 2022

| | On demand HK\$ | Less than 3 months HK\$ | 3 to 12 months HK\$ | Others HK\$ | Total HK\$ |
|---|-------------------|-------------------------------|---------------------------|--------------------|--------------------|
| <u>Financial assets</u> | | | | | |
| Financial assets at fair value through profit or loss | - | 375,413,946 | - | - | 375,413,946 |
| Due from the Manager | - | 600 | - | - | 600 |
| Interest receivables | - | 1,805,922 | 398,207 | - | 2,204,129 |
| Cash and cash equivalents | 43,841,995 | - | - | - | 43,841,995 |
| Total financial assets | 43,841,995 | 377,220,468 | 398,207 | - | 421,460,670 |
| <u>Financial liabilities</u> | | | | | |
| Management fee payable | - | 242,743 | - | - | 242,743 |
| Trustee fee payable | - | 52,135 | - | - | 52,135 |
| Amount due to broker | - | 11,271,483 | - | - | 11,271,483 |
| Other payables and accruals | - | 600 | - | - | 600 |
| Redemption proceeds payable | - | 6,072,660 | - | - | 6,072,660 |
| Net assets attributable to unitholders* | - | - | - | 403,827,424 | 403,827,424 |
| Total financial liabilities | - | 17,639,621 | - | 403,827,424 | 421,467,045 |

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

Credit and counterparty risk

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

If the issuer of any of the fixed income securities in which the Sub-Fund's assets are invested in defaults, the performance of the Sub-Fund will be adversely affected.

The Sub-Fund invests in a diversified portfolio of fixed income securities, the selection of which is based upon fundamental research analysis, to mitigate this risk. The Sub-Fund limits its exposure to credit risk by transacting the majority of its securities issued by issuers with a suitable credit rating, and contractual commitment activity with broker-dealers and financial institutions with high credit ratings that the Sub-Fund considers to be well established.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

Risk management (continued)

Credit and counterparty risk (continued)

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

The Manager considers that none of these assets are impaired nor past due as at 31 December 2023 (2022: Nil).

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

Financial assets subject to expected credit loss

The Sub-Fund's financial assets subject to the expected credit loss model within HKFRS 9 are only amount due from broker, interest receivables, and cash and cash equivalents. As at 31 December 2023, the total of amount due from broker, interest receivables and cash and cash equivalents was HK\$11,300,924 (2022: HK\$46,046,724) on which no loss allowance (2022: no loss allowance) had been provided. No amount (2022: Nil) was considered credit impaired at the end of the reporting period.

In calculating the loss allowance, a provision matrix has been used based on historical observed loss rates over the expected life of the receivables adjusted for forward-looking estimates. Items have been grouped by their nature into the following categories: due from the Manager, interest receivables, subscription in transit and cash and cash equivalents. 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.

Maximum exposure and year-end staging as at 31 December 2023

The table below shows the credit quality and the maximum exposure to credit risk based on the Sub-Fund's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2023.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

Risk management (continued)

Credit and counterparty risk (continued)

Financial assets subject to expected credit loss (continued)

Maximum exposure and year-end staging as at 31 December 2023 (continued)

| | 12-month expected credit losses | | Lifetime expected credit losses | | Simplified approach HK\$ | Total HK\$ |
|---------------------------|---------------------------------------|-----------------|---------------------------------------|----------|--------------------------------|-------------------|
| | Stage 1 HK\$ | Stage 2 HK\$ | Stage 3 HK\$ | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | | | | | | |
| - Not yet past due | 5,494,125 | - | - | - | - | 5,494,125 |
| Interest receivables | | | | | | |
| - Not yet past due | 1,848,133 | - | - | - | - | 1,848,133 |
| Amount due from broker | | | | | | |
| - Not yet past due | <u>3,958,666</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,958,666</u> |
| Total | <u>11,300,924</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,300,924</u> |

Maximum exposure and year-end staging as at 31 December 2022

The table below shows the credit quality and the maximum exposure to credit risk based on the Sub-Fund's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2022.

| | 12-month expected credit losses | | Lifetime expected credit losses | | Simplified approach HK\$ | Total HK\$ |
|---------------------------|---------------------------------------|-----------------|---------------------------------------|----------|--------------------------------|-------------------|
| | Stage 1 HK\$ | Stage 2 HK\$ | Stage 3 HK\$ | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | | | | | | |
| - Not yet past due | 43,841,995 | - | - | - | - | 43,841,995 |
| Interest receivables | | | | | | |
| - Not yet past due | 2,204,129 | - | - | - | - | 2,204,129 |
| Due from the Manager | | | | | | |
| - Not yet past due | <u>600</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>600</u> |
| Total | <u>46,046,724</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>46,046,724</u> |

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

Risk management (continued)

Credit and counterparty risk (continued)

Financial assets not subject to HKFRS 9's expected credit loss

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

Capital management

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

13. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons 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).

14. EVENTS AFTER THE REPORTING PERIOD

During the period from 1 January 2024 to 26 April 2024, the Sub-Fund has received a total subsequent subscription of HK\$5,080,127, US\$1,660, RMB78,299 and redemption of HK\$23,604,334 and RMB1,065,865, respectively.

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee and the Manager on 26 April 2024.

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

UNAUDITED INVESTMENT PORTFOLIO

31 December 2023

| | Holding/ Nominal value | Fair value HK\$ | % of net assets |
|--|---------------------------|--------------------|-----------------------|
| Listed/quoted debt securities | | | |
| <i>British Virgin Islands</i> | | | |
| Denominated in HK\$ | | | |
| LINK CB LTD CB 4.5% Q 12DEC2027 | 10,000,000 | 10,267,500 | 4.29 |
| <i>Cayman Islands</i> | | | |
| Denominated in HK\$ | | | |
| CHINA OVERSEAS FINANCE CAYMAN VIII LTD 2.9% A 15JAN2025 | 10,000,000 | 9,722,200 | 4.06 |
| CIMC ENRIC HLDGS LTD CB 0% A 30NOV2026 | 10,000,000 | 9,697,300 | 4.05 |
| KINGSOFT CORP LTD CB 0.625% S/A 29APR2025 | 5,000,000 | 5,083,850 | 2.12 |
| ZHONGSHENG GROUP HLDGS LTD CB 0% A 21MAY2025 | 6,000,000 | 6,334,860 | 2.64 |
| Denominated in US\$ | | | |
| ALIBABA GROUP HLDG LTD 2.125% S/A 09FEB2031 | 500,000 | 3,238,800 | 1.35 |
| GEELY AUTOMOBILE HLDGS LTD 4% S/A PERP | 1,000,000 | 7,578,144 | 3.16 |
| MICROPORT SCIENTIFIC CORP 0% S/A 11JUN2026 | 600,000 | 4,537,186 | 1.89 |
| <i>Hong Kong</i> | | | |
| Denominated in HK\$ | | | |
| HK GOVT 1.51% S/A 24FEB2027 | 2,000,000 | 1,909,180 | 0.80 |
| HK GOVT 2.24% S/A 27AUG2029 | 5,000,000 | 4,832,550 | 2.02 |
| HONG KONG GOVERNMENT BOND PROGRAMME 1.25% S/A 29JUN2027 | 10,000,000 | 9,370,700 | 3.91 |
| HONG KONG GOVERNMENT BOND PROGRAMME 1.59% S/A 4MAR2036 | 10,000,000 | 8,266,900 | 3.45 |
| HONG KONG GOVERNMENT BOND PROGRAMME 1.97% S/A 17JAN2029 | 5,000,000 | 4,750,600 | 1.98 |
| HONG KONG GOVERNMENT BOND PROGRAMME 2.02% S/A 07MAR2034 | 10,000,000 | 8,973,900 | 3.75 |
| HONG KONG GOVERNMENT BOND PROGRAMME 3.74% S/A 12JAN2038 | 10,000,000 | 10,033,300 | 4.19 |

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

UNAUDITED INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Holding/ Nominal value | Fair value HK\$ | % of net assets |
|--|-----------------------------------|----------------------------|--------------------------------|
| Listed/quoted debt securities (continued) | | | |
| <i>Hong Kong(continued)</i> | | | |
| Denominated in US\$ | | | |
| AIRPORT AUTHORITY HONG KONG 4.875% S/A 12JAN2030 REGS | 500,000 | 3,975,816 | 1.66 |
| BANK OF EAST ASIA LTD 5.875% S/A PERP | 1,000,000 | 7,323,139 | 3.06 |
| CHINA TAIPING INSURANCE HLDGS CO LTD 6.4% S/A PERP | 500,000 | 4,066,688 | 1.70 |
| NANYANG COMMERCIAL BANK LTD 7.35% S/A PERP | 500,000 | 3,900,642 | 1.63 |
| <i>India</i> | | | |
| Denominated in US\$ | | | |
| STATE BANK OF INDIA/LONDON 4.875% S/A 5MAY2028 | 250,000 | 1,946,650 | 0.81 |
| <i>Korea</i> | | | |
| Denominated in US\$ | | | |
| SK BROADBAND CO LTD 4.875% S/A 28JUN2028 | 200,000 | 1,564,818 | 0.65 |
| <i>Luxembourg</i> | | | |
| Denominated in HK\$ | | | |
| CITIGROUP GLOBAL MARKETS FUNDING LUXEMBOURG SCA CB 0% A 28MAY2024 | 12,000,000 | 11,701,440 | 4.89 |
| <i>Malaysia</i> | | | |
| Denominated in US\$ | | | |
| KHAZANAH CAPITAL LTD 4.876% S/A 1JUN2033 | 200,000 | 1,570,363 | 0.66 |
| <i>United Kingdom</i> | | | |
| Denominated in HK\$ | | | |
| STANDARD CHARTERED BANK 4.2% A 17JAN2026 | 10,000,000 | 10,001,900 | 4.18 |

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

UNAUDITED INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Holding/ Nominal value | Fair value HK\$ | % of net assets |
|---|---------------------------|--------------------|-----------------------|
| Unlisted/quoted debt securities | | | |
| <i>Australia</i> | | | |
| Denominated in HK\$ | | | |
| ICBC/SYDNEY 3.55% A 08JUL2024 FXCD | 2,000,000 | 1,985,260 | 0.83 |
| <i>British Virgin Islands</i> | | | |
| Denominated in HK\$ | | | |
| HONGKONG ELECTRIC FINANCE LTD 3.4% Q 16JUL2027 | 5,000,000 | 4,896,150 | 2.04 |
| YUEXIU REIT MTN CO LTD 3.6% S/A 28MAY2024 | 10,000,000 | 9,862,200 | 4.12 |
| <i>Cayman Islands</i> | | | |
| Denominated in HK\$ | | | |
| MTR CORP (CI) LTD 2.25% Q 04DEC2025 | 2,000,000 | 1,923,440 | 0.80 |
| SWIRE PACIFIC MTN FINANCING LTD 3.35% Q 31JUL2025 | 3,000,000 | 2,963,880 | 1.24 |
| Denominated in US\$ | | | |
| CK HUTCHISON INTL 23 LTD 4.75% S/A 21APR2028 REGS | 200,000 | 1,565,068 | 0.65 |
| POSEIDON FINANCE 1 LTD CB 0% A 01FEB2025 | 500,000 | 3,887,950 | 1.62 |
| <i>Hong Kong</i> | | | |
| Denominated in HK\$ | | | |
| AIA GROUP LTD 3.68% Q 16JAN2031 | 9,000,000 | 8,657,820 | 3.61 |
| AIRPORT AUTHORITY HONG KONG 1.95% Q 20NOV2030 | 7,000,000 | 6,227,060 | 2.60 |
| AIRPORT AUTHORITY HONG KONG 2.3% Q 24APR2030 | 5,000,000 | 4,591,650 | 1.92 |
| HKCG FINANCE LTD 3.8% Q 05APR2027 | 5,000,000 | 4,960,000 | 2.07 |
| HKCG FINANCE LTD 4.72% Q 23SEP2039 | 5,000,000 | 5,151,450 | 2.15 |
| SWIRE PACIFIC MTN FINANCING HK LTD 2.55% Q 02MAR2027 | 1,000,000 | 951,910 | 0.40 |
| SWIRE PACIFIC MTN FINANCING HK LTD 2.68% Q 33FEB2030 | 10,000,000 | 9,200,800 | 3.84 |
| SWIRE PROPERTIES MTN FINANCING LTD 3% Q 19MAR2025 | 1,000,000 | 983,150 | 0.41 |
| WHARF FINANCE LTD 3.9% Q 19JUN2024 | 2,000,000 | 1,988,560 | 0.83 |
| <i>India</i> | | | |
| Denominated in US\$ | | | |
| REC LTD 5.625% S/A 11APR2028 REGS | 200,000 | 1,586,874 | 0.66 |

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

UNAUDITED INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Holding/ Nominal value | Fair value HK\$ | % of net assets |
|---|-----------------------------------|----------------------------|--------------------------------|
| Unlisted/quoted debt securities (continued) | | | |
| <i>Ireland</i> | | | |
| Denominated in US\$ | | | |
| SMBC AVIATION CAPITAL FINANCE DAC 5.45% S/A 03MAY2028 REGS | 400,000 | 3,146,287 | 1.31 |
| <i>United States</i> | | | |
| Denominated in US\$ | | | |
| INTEL CORP 5.2% S/A 10FEB2033 | 400,000 | 3,264,129 | 1.36 |
| TOTAL INVESTMENTS, AT FAIR VALUE | | <u>228,442,064</u> | <u>95.36</u> |
| TOTAL INVESTMENTS, AT COST | | <u>226,594,182</u> | |
| <u>TOTAL NET ASSETS</u> | | | |
| Total debt securities | | 228,442,064 | 95.36 |
| Other net assets | | <u>11,125,946</u> | <u>4.64</u> |
| Total net assets | | <u>239,568,010</u> | <u>100.00</u> |

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

UNAUDITED MOVEMENT IN INVESTMENT PORTFOLIO

31 December 2023

| | Movement | | | At 31 December 2023 |
|---|----------------------------------|------------------|------------------|------------------------------------|
| | At 1 January 2023 | Additions | Disposals | |
| LISTED/QUOTED DEBT SECURITIES | | | | |
| <i>Bermuda</i> | | | | |
| Denominated in US\$ | | | | |
| HAITONG INTL SECURITIES GROUP LTD 2.125% A 02JUL2023 | 300,000 | - | (300,000) | - |
| <i>British Virgin Islands</i> | | | | |
| Denominated in HK\$ | | | | |
| HENDERSON LAND MTN LTD 2.2% Q 05MAR2023 | 20,000,000 | - | (20,000,000) | - |
| LINK CB LTD CB 4.5% Q 12DEC2027 | - | 15,000,000 | (5,000,000) | 10,000,000 |
| Denominated in US\$ | | | | |
| CICC HONG KONG FINANCE 2016 MTN LTD 1.75% S/A 10AUG2023 | 500,000 | - | (500,000) | - |
| CICC HONG KONG FINANCE 2016 MTN LTD 5.493% S/A 01MAR2026 | - | 500,000 | (500,000) | - |
| CMHI FINANCE BVI CO LTD 3.5% S/A PERP | 500,000 | - | (500,000) | - |
| HUARONG FINANCE 2019 CO LTD 2.125% S/A 30SEP2023 | - | 700,000 | (700,000) | - |
| SINOPEC GROUP OVERSEAS DEVELOPMENT 2013 LTD 4.375% S/A 17OCT2023 REGS | 600,000 | - | (600,000) | - |
| <i>Cayman Islands</i> | | | | |
| Denominated in HK\$ | | | | |
| CATHAY PACIFIC FINANCE III LTD CB 2.75% S/A 05FEB2026 | - | 20,000,000 | (20,000,000) | - |
| CHINA OVERSEAS FINANCE CAYMAN VIII LTD 2.9% A 15JAN2025 | - | 10,000,000 | - | 10,000,000 |
| CIMC ENRIC HLDGS LTD CB 0% A 30NOV2026 | - | 15,000,000 | (5,000,000) | 10,000,000 |
| KINGSOFT CORP LTD CB 0.625% S/A 29APR2025 | - | 5,000,000 | - | 5,000,000 |
| ZHONGSHENG GROUP HLDGS LTD CB 0% A 21MAY2025 | - | 28,000,000 | (22,000,000) | 6,000,000 |
| Denominated in US\$ | | | | |
| ALIBABA GROUP HLDG LTD 2.125% S/A 09FEB2031 | - | 500,000 | - | 500,000 |

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

UNAUDITED MOVEMENT IN INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Movement | | | At 31 December 2023 |
|--|-------------------------|------------|--------------|---------------------------|
| | At 1 January 2023 | Additions | Disposals | |
| LISTED/QUOTED DEBT SECURITIES | | | | |
| (continued) | | | | |
| <i>Cayman Islands (continued)</i> | | | | |
| Denominated in US\$ | | | | |
| EXPORT-IMPORT BANK OF CHINA 3.8% S/A 16SEP2025 | 500,000 | - | (500,000) | - |
| GEELY AUTOMOBILE HLDGS LTD 4% S/A PERP | 1,700,000 | - | (700,000) | 1,000,000 |
| MICROPORT SCIENTIFIC CORP 0% S/A 11JUN2026 | - | 600,000 | - | 600,000 |
| SOAR WISE LTD 3.425% S/A PERP | 300,000 | - | (300,000) | - |
| <i>China</i> | | | | |
| Denominated in HK\$ | | | | |
| ANGANG STEEL CO LTD CB 0% A 25MAY2023 | 30,000,000 | - | (30,000,000) | - |
| Denominated in US\$ | | | | |
| CHINA EVERBRIGHT BANK/HONG KONG 4.994% S/A 02MAR2026 | - | 200,000 | (200,000) | - |
| PHARMARON BEIJING CO LTD CB 0% A 18JUN2026 | - | 400,000 | (400,000) | - |
| <i>Hong Kong</i> | | | | |
| Denominated in HK\$ | | | | |
| HK GOVT 0.15% S/A 23AUG2023 | - | 5,000,000 | (5,000,000) | - |
| HK GOVT 1.51% S/A 24FEB2027 | - | 2,000,000 | - | 2,000,000 |
| HK GOVT 1.73% S/A 20FEB2024 | 4,000,000 | - | (4,000,000) | - |
| HK GOVT 2.24% S/A 27AUG2029 | - | 10,000,000 | (5,000,000) | 5,000,000 |
| HK GOVT 2.35% S/A 23MAY2024 | 5,000,000 | - | (5,000,000) | - |
| HK GOVT 2.71% S/A 20FEB2023 | 4,000,000 | - | (4,000,000) | - |
| HK GOVT 3.27% S/A 28AUG2023 | 4,000,000 | 5,000,000 | (9,000,000) | - |
| HONG KONG GOVERNMENT BOND PROGRAMME 0.36% S/A 15APR2024 | 20,000,000 | 5,000,000 | (25,000,000) | - |
| HONG KONG GOVERNMENT BOND PROGRAMME 1.1% S/A 17JAN2023 | 7,000,000 | - | (7,000,000) | - |

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

UNAUDITED MOVEMENT IN INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Movement | | | At 31 December 2023 |
|--|-------------------------|------------|--------------|---------------------------|
| | At 1 January 2023 | Additions | Disposals | |
| LISTED/QUOTED DEBT SECURITIES | | | | |
| (continued) | | | | |
| <i>Hong Kong (continued)</i> | | | | |
| Denominated in HK\$ | | | | |
| HONG KONG GOVERNMENT BOND PROGRAMME 1.25% S/A 29JUN2027 | - | 10,000,000 | - | 10,000,000 |
| HONG KONG GOVERNMENT BOND PROGRAMME 1.59% S/A 4MAR2036 | - | 18,000,000 | (8,000,000) | 10,000,000 |
| HONG KONG GOVERNMENT BOND PROGRAMME 1.68% S/A 21JAN2026 | - | 10,000,000 | (10,000,000) | - |
| HONG KONG GOVERNMENT BOND PROGRAMME 1.79% S/A 14APR2025 | - | 5,000,000 | (5,000,000) | - |
| HONG KONG GOVERNMENT BOND PROGRAMME 1.89% S/A 02MAR2032 | - | 5,000,000 | (5,000,000) | - |
| HONG KONG GOVERNMENT BOND PROGRAMME 1.97% S/A 17JAN2029 | - | 5,000,000 | - | 5,000,000 |
| HONG KONG GOVERNMENT BOND PROGRAMME 2.02% S/A 07MAR2034 | - | 15,000,000 | (5,000,000) | 10,000,000 |
| HONG KONG GOVERNMENT BOND PROGRAMME 2.13% S/A 16JUL2030 | - | 10,000,000 | (10,000,000) | - |
| HONG KONG GOVERNMENT BOND PROGRAMME 2.22% S/A 07AUG2024 | 12,000,000 | - | (12,000,000) | - |
| HONG KONG GOVERNMENT BOND PROGRAMME 3.74% S/A 12JAN2038 | - | 15,000,000 | (5,000,000) | 10,000,000 |
| HONG KONG GOVERNMENT BOND PROGRAMME HKCPI+0% S/A 16NOV2023 | 30,000,000 | - | (30,000,000) | - |
| HONG KONG GOVERNMENT BOND PROGRAMME HKCPI+0% S/A 19MAY2025 | 20,000,000 | - | (20,000,000) | - |
| HONG KONG GOVERNMENT BOND PROGRAMME HKCPI+0% S/A 23JUN2024 - CMU | - | 15,000,000 | (15,000,000) | - |
| HONG KONG SCIENCE & TECHNOLOGY PARKS CORP 3.2% S/A 11JUL2024 | - | 12,000,000 | (12,000,000) | - |

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

UNAUDITED MOVEMENT IN INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Movement | | | At 31 December 2023 |
|--|-------------------------|-----------|-------------|---------------------------|
| | At 1 January 2023 | Additions | Disposals | |
| LISTED/QUOTED DEBT SECURITIES | | | | |
| (continued) | | | | |
| <i>Hong Kong (continued)</i> | | | | |
| Denominated in US\$ | | | | |
| AIRPORT AUTHORITY HONG KONG 4.875% S/A 12JAN2030 REGS | - | 500,000 | - | 500,000 |
| BANK OF EAST ASIA LTD 5.875% S/A PERP | - | 1,000,000 | - | 1,000,000 |
| CHINA TAIPING INSURANCE HLDGS CO LTD 6.4% S/A PERP | - | 500,000 | - | 500,000 |
| HONG KONG GOVERNMENT INTL BOND 4% S/A 07JUN2033 | - | 300,000 | (300,000) | - |
| NANYANG COMMERCIAL BANK LTD 7.35% S/A PERP | - | 500,000 | - | 500,000 |
| XIAOMI BEST TIME INTL LTD CB 0% A 17DEC2027 | - | 1,000,000 | (1,000,000) | - |
| <i>India</i> | | | | |
| Denominated in US\$ | | | | |
| STATE BANK OF INDIA/LONDON 4.875% S/A 5MAY2028 | - | 250,000 | - | 250,000 |
| <i>Korea</i> | | | | |
| Denominated in US\$ | | | | |
| EXPORT-IMPORT BANK OF KOREA 4.625% S/A 07JUN2033 | - | 300,000 | (300,000) | - |
| SK BROADBAND CO LTD 4.875% S/A 28JUN2028 | - | 200,000 | - | 200,000 |

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

UNAUDITED MOVEMENT IN INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Movement | | | At 31 December 2023 |
|---|-------------------------|------------|--------------|---------------------------|
| | At 1 January 2023 | Additions | Disposals | |
| LISTED/QUOTED DEBT SECURITIES (continued) | | | | |
| <i>Luxembourg</i> | | | | |
| Denominated in HK\$ | | | | |
| CITIGROUP GLOBAL MARKETS FUNDING LUXEMBOURG SCA CB 0% A 28MAY2024 | - | 12,000,000 | - | 12,000,000 |
| <i>Malaysia</i> | | | | |
| Denominated in US\$ | | | | |
| KHAZANAH CAPITAL LTD 4.876% S/A 1JUN2033 | - | 200,000 | - | 200,000 |
| <i>United Kingdom</i> | | | | |
| Denominated in HK\$ | | | | |
| STANDARD CHARTERED BANK 0.75% A 17MAY2024 | 15,000,000 | 4,000,000 | (19,000,000) | - |
| STANDARD CHARTERED BANK 4.2% A 17JAN2026 | - | 10,000,000 | - | 10,000,000 |
| <i>United States</i> | | | | |
| Denominated in HK\$ | | | | |
| CITIGROUP GLOBAL MARKETS HLDGS INC/USA CB 0% A 26FEB2026 | - | 5,000,000 | (5,000,000) | - |
| Denominated in US\$ | | | | |
| HSBC USA INC 3.75% S/A 24MAY2024 | 500,000 | - | (500,000) | - |
| US TREASURY N/B 1.875% S/A 15FEB2032 | - | 1,000,000 | (1,000,000) | - |
| US TREASURY N/B 2.875% S/A 30SEP2023 | 500,000 | - | (500,000) | - |
| US TREASURY N/B 3 % S/A 15AUG2052 | 500,000 | 500,000 | (1,000,000) | - |
| US TREASURY N/B 3.625% S/A 15MAY2053 | - | 500,000 | (500,000) | - |

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

UNAUDITED MOVEMENT IN INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Movement | | | At 31 December 2023 |
|---|-------------------------|------------|--------------|---------------------------|
| | At 1 January 2023 | Additions | Disposals | |
| UNLISTED/QUOTED DEBT SECURITIES | | | | |
| <i>Australia</i> | | | | |
| Denominated in HK\$ | | | | |
| ICBC/SYDNEY 3.55% A 08JUL2024 FXCD | - | 2,000,000 | - | 2,000,000 |
| <i>Denominated in US\$</i> | | | | |
| NORTHERN STAR RESOURCES LTD 6.125% S/A 11 APR 2033 REGS | - | 400,000 | (400,000) | - |
| <i>British Virgin Islands</i> | | | | |
| Denominated in HK\$ | | | | |
| HENDERSON LAND MTN LTD 1.25% Q 20MAY2024 | 18,000,000 | - | (18,000,000) | - |
| HONGKONG ELECTRIC FINANCE LTD 3.4% Q 16JUL2027 | - | 5,000,000 | - | 5,000,000 |
| HONGKONG LAND NOTES CO LTD 4.1% A 28JUL2025 | - | 3,000,000 | (3,000,000) | - |
| NWD MTN LTD 3% A 10MAR2028 | - | 2,000,000 | (2,000,000) | - |
| NWD MTN LTD 5.25% S/A 19MAR2024 | 2,000,000 | - | (2,000,000) | - |
| NWD MTN LTD 5.5% S/A 28FEB2024 | 10,000,000 | - | (10,000,000) | - |
| NWD MTN LTD 5.9% S/A 24JAN2024 | 14,000,000 | - | (14,000,000) | - |
| WHARF FINANCE BVI LTD 3.3% Q 07SEP2023 | 12,000,000 | - | (12,000,000) | - |
| WHEELOCK MTN BVI LTD 2.05% A 19NOV2026 | - | 5,000,000 | (5,000,000) | - |
| YUEXIU REIT MTN CO LTD 3.6% S/A 28MAY2024 | - | 10,000,000 | - | 10,000,000 |
| <i>Cayman Islands</i> | | | | |
| Denominated in HK\$ | | | | |
| MTR CORP (CI) LTD 2.25% A 28DEC2024 | 3,000,000 | - | (3,000,000) | - |
| MTR CORP (CI) LTD 2.25% Q 04DEC2025 | 2,000,000 | - | - | 2,000,000 |
| SUN HUNG KAI PROPERTIES CAPITAL MARKET LTD 1.9% Q 03JUN2028 | - | 3,000,000 | (3,000,000) | - |
| SUN HUNG KAI PROPERTIES CAPITAL MARKET LTD 2.55% Q 24JUL2024 | 4,000,000 | - | (4,000,000) | - |
| SUN HUNG KAI PROPERTIES CAPITAL MARKET LTD 3.35% Q 11SEP2023 | 2,000,000 | - | (2,000,000) | - |

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

UNAUDITED MOVEMENT IN INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Movement | | | At 31 December 2023 |
|---|-------------------------|------------|-------------|---------------------------|
| | At 1 January 2023 | Additions | Disposals | |
| UNLISTED/QUOTED DEBT SECURITIES (continued) | | | | |
| <i>Cayman Islands (continued)</i> | | | | |
| Denominated in HK\$ | | | | |
| SUN HUNG KAI PROPERTIES CAPITAL MARKET LTD 3.39% Q 24JAN2029 | - | 5,000,000 | (5,000,000) | - |
| SUN HUNG KAI PROPERTIES CAPITAL MARKET LTD 4% Q 16APR2024 | 3,500,000 | - | (3,500,000) | - |
| SWIRE PACIFIC MTN FINANCING LTD 3.35% Q 31JUL2025 | 3,000,000 | - | - | 3,000,000 |
| Denominated in US\$ | | | | |
| CHINA RESOURCES LAND LTD 3.75% S/A PERP | - | 1,000,000 | (1,000,000) | - |
| CK HUTCHISON INTL 23 LTD 4.75% S/A 21APR2028 REGS | - | 200,000 | - | 200,000 |
| MGM CHINA HLDGS LTD 5.375% S/A 15MAY2024 REGS | 200,000 | - | (200,000) | - |
| POSEIDON FINANCE 1 LTD CB 0% A 01FEB2025 | - | 1,500,000 | (1,000,000) | 500,000 |
| <i>China</i> | | | | |
| Denominated in US\$ | | | | |
| INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD 3.2% S/A PERP | - | 1,000,000 | (1,000,000) | - |
| SHOUGANG GROUP CO LTD 4% S/A 23MAY2024 | 500,000 | - | (500,000) | - |
| <i>Hong Kong</i> | | | | |
| Denominated in HK\$ | | | | |
| AIA GROUP LTD 2.25% Q 28MAR2024 | 5,000,000 | 3,000,000 | (8,000,000) | - |
| AIA GROUP LTD 3.68% Q 16JAN2031 | - | 10,500,000 | (1,500,000) | 9,000,000 |
| AIRPORT AUTHORITY HONG KONG 1.95% Q 20NOV2030 | - | 7,000,000 | - | 7,000,000 |
| AIRPORT AUTHORITY HONG KONG 2.3% Q 24APR2030 | - | 5,000,000 | - | 5,000,000 |
| CITIC LTD 4.35% S/A 25JUL2024 | 7,000,000 | - | (7,000,000) | - |
| HKCG FINANCE LTD 3.8% Q 05APR2027 | - | 5,000,000 | - | 5,000,000 |
| HKCG FINANCE LTD 4.25% Q 03JUN2024 | 5,000,000 | - | (5,000,000) | - |
| HKCG FINANCE LTD 4.72% Q 23SEP2039 | - | 5,000,000 | - | 5,000,000 |

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

UNAUDITED MOVEMENT IN INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Movement | | | At 31 December 2023 |
|---|-------------------------|------------|--------------|---------------------------|
| | At 1 January 2023 | Additions | Disposals | |
| UNLISTED/QUOTED DEBT SECURITIES (continued) | | | | |
| <i>Hong Kong (continued)</i> | | | | |
| Denominated in HK\$ | | | | |
| HONG KONG MORTGAGE CORP LTD 4.07% Q 12JUN2023 | 12,000,000 | - | (12,000,000) | - |
| HONG KONG T-BILLS 0% A 08NOV2023 | - | 2,000,000 | (2,000,000) | - |
| SWIRE PACIFIC MTN FINANCING HK LTD 2.55% Q 02MAR2027 | - | 1,000,000 | - | 1,000,000 |
| SWIRE PACIFIC MTN FINANCING HK LTD 2.68% Q 33FEB2030 | - | 10,000,000 | - | 10,000,000 |
| SWIRE PROPERTIES MTN FINANCING LTD 2.55% Q 18AUG2024 | 8,000,000 | - | (8,000,000) | - |
| SWIRE PROPERTIES MTN FINANCING LTD 2.8% Q 26MAR2025 | 2,000,000 | - | (2,000,000) | - |
| SWIRE PROPERTIES MTN FINANCING LTD 2.95% Q 22FEB2024 | 2,000,000 | - | (2,000,000) | - |
| SWIRE PROPERTIES MTN FINANCING LTD 3% Q 19MAR2025 | 1,000,000 | - | - | 1,000,000 |
| WHARF FINANCE LTD 3.9% Q 19JUN2024 | 22,000,000 | - | (20,000,000) | 2,000,000 |
| WHARF FINANCE LTD 4.426% Q 29JAN2024 | 1,500,000 | - | (1,500,000) | - |
| Denominated in US\$ | | | | |
| BANK OF CHINA HONG KONG LTD 5.9% S/A PERP REGS | 2,000,000 | - | (2,000,000) | - |
| CMB WING LUNG BANK LTD 6.5% S/A PERP | 500,000 | - | (500,000) | - |

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

UNAUDITED MOVEMENT IN INVESTMENT PORTFOLIO (continued)

31 December 2023

| | Movement | | | At 31 December 2023 |
|---|-------------------------|-----------|-----------|---------------------------|
| | At 1 January 2023 | Additions | Disposals | |
| UNLISTED/QUOTED DEBT SECURITIES (continued) | | | | |
| <i>India</i> | | | | |
| <i>Denominated in US\$</i> | | | | |
| REC LTD 5.625% S/A 11APR2028 REGS | - | 200,000 | - | 200,000 |
| <i>Indonesia</i> | | | | |
| <i>Denominated in US\$</i> | | | | |
| PERTAMINA GEOTHERMAL ENERGY PT 5.15% S/A 27APR2028 REGS | - | 500,000 | (500,000) | - |
| <i>Ireland</i> | | | | |
| <i>Denominated in US\$</i> | | | | |
| SMBC AVIATION CAPITAL FINANCE DAC 5.45% S/A 03MAY2028 REGS | - | 400,000 | - | 400,000 |
| <i>Korea</i> | | | | |
| <i>Denominated in US\$</i> | | | | |
| SHINHAN BANK CO LTD 4.5% S/A 12APR2028 REGS | - | 500,000 | (500,000) | - |
| <i>United States</i> | | | | |
| <i>Denominated in US\$</i> | | | | |
| BOC AVIATION USA CORP 4.875% S/A 03MAY2033 REGS | - | 500,000 | (500,000) | - |
| INTEL CORP 5.2% S/A 10FEB2033 | - | 400,000 | - | 400,000 |
| JPMORGAN CHASE & CO 0.697% S/A 16MAR2024(CALLED) | 500,000 | - | (500,000) | - |

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

UNAUDITED PERFORMANCE TABLE

31 December 2023

1. NET ASSET VALUE

| | Net asset value per unit | | | Total net asset value | | |
|------------------------------------|-----------------------------|-------|--------|--------------------------|-----------|-----------|
| | HK\$ | US\$ | RMB | HK\$ | US\$ | RMB |
| As at 31 December 2023 | | | | | | |
| - Class A (HKD) units | 9.338 | - | - | 197,190,217 | - | - |
| - Class A (RMB) units | - | - | 10.595 | - | - | 1,877,340 |
| - Class I (HKD) units | 9.400 | - | - | 27,788,616 | - | - |
| - Class I (USD) units | - | 0.930 | - | - | 670,691 | - |
| - Class I (RMB) units | - | - | 9.565 | - | - | 6,648,812 |
| As at 31 December 2022 | | | | | | |
| - Class A (HKD) units | 9.201 | - | - | 318,049,369 | - | - |
| - Class A (USD) units ¹ | - | - | - | - | - | - |
| - Class A (RMB) units | - | - | 10.163 | - | - | 985,406 |
| - Class I (HKD) units | 9.239 | - | - | 68,914,069 | - | - |
| - Class I (USD) units | - | 0.915 | - | - | 1,110,500 | - |
| - Class I (RMB) units | - | - | 9.152 | - | - | 6,298,982 |
| As at 31 December 2021 | | | | | | |
| - Class A (HKD) units | 9.687 | - | - | 442,295,999 | - | - |
| - Class A (USD) units | - | 0.959 | - | - | 114,633 | - |
| - Class A (RMB) units | - | - | 9.818 | - | - | 15,724 |
| - Class I (HKD) units | 9.703 | - | - | 134,313,114 | - | - |
| - Class I (USD) units | - | 0.961 | - | - | 1,159,352 | - |
| - Class I (RMB) units | - | - | 8.821 | - | - | 6,010,588 |

¹ There were no outstanding units in issue for Class A (USD) units of the Sub-Fund since 8 November 2022.

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

UNAUDITED PERFORMANCE TABLE (continued)

31 December 2023

2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT

| | Highest subscription unit price | | | Lowest redemption unit price | | |
|--|------------------------------------|-------|--------|---------------------------------|-------|-------|
| | HK\$ | US\$ | RMB | HK\$ | US\$ | RMB |
| For the year ended 31 December 2023 | | | | | | |
| - Class A (HKD) units | 9.338 | - | - | 8.988 | - | - |
| - Class A(RMB) units | - | - | 10.640 | - | - | 9.929 |
| - Class I (HKD) units | 9.400 | - | - | 9.042 | - | - |
| - Class I (USD) units | - | 0.929 | - | - | 0.892 | - |
| - Class I (RMB) units | - | - | 9.594 | - | - | 8.942 |
| For the year ended 31 December 2022 | | | | | | |
| - Class A (HKD) units | 9.684 | - | - | 9.120 | - | - |
| - Class A (USD) units ¹ | - | 0.959 | - | - | 0.942 | - |
| - Class A(RMB) units | - | - | 10.653 | - | - | 9.522 |
| - Class I (HKD) units | 9.700 | - | - | 9.154 | - | - |
| - Class I (USD) units | - | 0.961 | - | - | 0.901 | - |
| - Class I (RMB) units | - | - | 9.590 | - | - | 8.560 |
| For the year ended 31 December 2021 | | | | | | |
| - Class A (HKD) units | 10.048 | - | - | 9.652 | - | - |
| - Class A (USD) units | - | 1.005 | - | - | 0.958 | - |
| - Class A(RMB) units | - | - | 10.000 | - | - | 9.818 |
| - Class I (HKD) units | 10.055 | - | - | 9.664 | - | - |
| - Class I (USD) units | - | 1.004 | - | - | 0.959 | - |
| - Class I (RMB) units | - | - | 9.392 | - | - | 8.821 |
| For the year ended 31 December 2020 | | | | | | |
| - Class A (HKD) units | 10.297 | - | - | 9.889 | - | - |
| - Class A (USD) units | - | 1.004 | - | - | 1.000 | - |
| - Class I (HKD) units | 10.310 | - | - | 9.895 | - | - |
| - Class I (USD) units | - | 1.042 | - | - | 0.998 | - |
| - Class I (RMB) units | - | - | 10.548 | - | - | 9.386 |

¹ There were no outstanding units in issue for Class A (USD) units of the Sub-Fund since 8 November 2022.

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

UNAUDITED PERFORMANCE TABLE (continued)

31 December 2023

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

| | Highest subscription unit price | | | Lowest redemption unit price | | |
|---|------------------------------------|-------|--------|---------------------------------|-------|--------|
| | HK\$ | US\$ | RMB | HK\$ | US\$ | RMB |
| For the year ended 31 December 2019 | | | | | | |
| - Class A (HKD) units | 10.376 | - | - | 10.018 | - | - |
| - Class I (HKD) units | 10.442 | - | - | 10.017 | - | - |
| - Class I (USD) units | - | 1.036 | - | - | 1.003 | - |
| - Class I (RMB) units | - | - | 10.695 | - | - | 9.951 |
| For the year ended 31 December 2018 | | | | | | |
| - Class A (HKD) units | 10.048 | - | - | 9.840 | - | - |
| - Class I (HKD) units | 10.101 | - | - | 9.888 | - | - |
| - Class I (USD) units | - | 1.002 | - | - | 0.980 | - |
| - Class I (RMB) units | - | - | 10.134 | - | - | 10.000 |
| For the year ended 31 December 2017 | | | | | | |
| - Class A (HKD) units | 10.168 | - | - | 9.921 | - | - |
| - Class I (HKD) units | 10.422 | - | - | 10.013 | - | - |
| - Class I (USD) units | - | 1.015 | - | - | 0.994 | - |
| - Class I (RMB) units | - | - | - | - | - | - |
| For the year ended 31 December 2016 | | | | | | |
| - Class A (HKD) units | 10.237 | - | - | 9.898 | - | - |
| - Class I (HKD) units | 10.461 | - | - | 10.134 | - | - |
| - Class I (USD) units | - | 1.000 | - | - | 0.991 | - |
| - Class I (RMB) units | - | - | - | - | - | - |
| For the year ended 31 December 2015 | | | | | | |
| - Class A (HKD) units | 10.161 | - | - | 9.943 | - | - |
| - Class I (HKD) units | 10.365 | - | - | 9.988 | - | - |
| - Class I (USD) units | - | - | - | - | - | - |
| - Class I (RMB) units | - | - | - | - | - | - |
| For the period from 2 September 2013 (date of inception) to 31 December 2014 | | | | | | |
| - Class A (HKD) units | - | - | - | - | - | - |
| - Class I (HKD) units | 10.348 | - | - | 9.941 | - | - |
| - Class I (USD) units | - | - | - | - | - | - |
| - Class I (RMB) units | - | - | - | - | - | - |