

REPORTS AND FINANCIAL STATEMENTS

**BOCIP ASSET MANAGEMENT INVESTMENT FUNDS
– CHINA BOND FUND**

**FOR THE PERIOD FROM 1ST JANUARY 2025 TO 3RD
JULY 2025 (DATE OF TERMINATION)**

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

FOR THE PERIOD FROM 1ST JANUARY 2025 TO 3RD JULY 2025 (DATE OF TERMINATION)

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BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

ADMINISTRATION AND MANAGEMENT

Manager

BOCI-Prudential Asset Management Limited
27th Floor, Bank of China Tower
1 Garden Road
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

Auditor

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

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

REPORT OF THE TRUSTEE

We hereby confirm that, in our opinion, the Manager, BOCI-Prudential Asset Management Limited, has, in all material respects, managed BOCIP China Bond Fund for the period from 1st January 2025 to 3rd July 2025 (date of termination) in accordance with the provisions of the Trust Deed dated 31st March 2010, as amended.

On behalf of
BOCI-Prudential Trustee Limited, the Trustee

29th September 2025

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF BOCIP ASSET MANAGEMENT INVESTMENT FUNDS (THE "FUND")

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BOCIP China Bond Fund (the "Sub-Fund" of BOCIP Asset Management Investment Funds) set out on page 7 to 25, which comprise the statement of net assets as at 3rd July 2025 (date of termination), and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 1st January 2025 to 3rd July 2025 (date of termination), 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 3rd July 2025 (date of termination) , and of its financial performance and its cash flows for the period from 1st January 2025 to 3rd July 2025 (date of termination) in accordance with HKFRS Accounting Standards as 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") as 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 HKICPA, 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.

Emphasis of Matter

We draw attention to Note 2(a) to the financial statements which describes that the financial statements for the period from 1st January 2025 to 3rd July 2025 (date of termination) for the Sub-Fund have not been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE UNITHOLDERS OF
BOCIP ASSET MANAGEMENT INVESTMENT FUNDS (THE "FUND")**

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

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

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

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

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 HKFRS Accounting Standards as issued by the HKICPA, and for such internal control as the Manager and the Trustee determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed of the Sub-Fund dated 31st March 2010 ("Trust Deed") as amended from time to time 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.

The Manager and the Trustee are responsible for overseeing the Fund's financial reporting process.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE UNITHOLDERS OF BOCIP ASSET MANAGEMENT INVESTMENT FUNDS (THE "FUND")

Auditor's Responsibilities for the Audit of the Financial Statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- 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. When such use is inappropriate and the Manager and the Trustee use an alternative basis of accounting, we concluded on the appropriateness of the Manager's and the Trustee's use of the alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

**INDEPENDENT AUDITOR’S REPORT (CONTINUED)
TO THE UNITHOLDERS OF
BOCIP ASSET MANAGEMENT INVESTMENT FUNDS (THE “FUND”)**

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.

The engagement partner on the audit resulting in this independent auditor report is Chan Ka Man (practicing certificate number: P07861).

Certified Public Accountants
Hong Kong

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND**STATEMENT OF NET ASSETS****AS AT 3RD JULY 2025 (DATE OF TERMINATION)**

	Notes	3rd July 2025 (date of termination) HK\$	31st December 2024 HK\$
ASSETS			
Current assets			
Cash and cash equivalents	13	-	1,796,551
Other receivables and prepayments		-	12
Total assets		-	1,796,563
LIABILITIES			
Current liabilities			
Accrued expenses and other payables		-	270,671
Total liabilities		-	270,671
EQUITY			
Net assets attributable to unitholders		-	1,525,892

The notes on pages 11 to 25 form an integral part of these financial statements.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)**

	Notes	From 1st January 2025 to 3rd July 2025 (date of termination) HK\$	From 1st January 2024 to 31st December 2024 HK\$
INCOME			
Interest income on bank deposits		4,643	230,186
Interest income on financial assets at fair value through profit or loss		-	1,236,907
Net losses on financial assets and liabilities at fair value through profit or loss	5	-	(233,017)
Net exchange gains/(losses)		58,323	(555,634)
Reversal of termination provisions		20,160	-
Total income		<u>83,126</u>	<u>678,442</u>
EXPENSES			
Management fee		-	(466,728)
Trustee fee		-	(66,032)
Sub-custodian fee		-	(33,807)
Auditor's remuneration		-	(142,716)
Transaction handling fee	10	-	(4,920)
Transaction cost	10	-	(2,560)
Printing and publishing expenses		-	(44,919)
Other operating expenses		-	(232,968)
Total expenses		<u>-</u>	<u>(994,650)</u>
Profit/(loss) before tax		<u>83,126</u>	<u>(316,208)</u>
Withholding tax	4	(11)	(937)
Profit/(loss) and total comprehensive income		<u><u>83,115</u></u>	<u><u>(317,145)</u></u>

The notes on pages 11 to 25 form an integral part of these financial statements.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

	From 1st January 2025 to 3rd July 2025 (date of termination) HK\$	From 1st January 2024 to 31st December 2024 HK\$
Balance at the beginning of the period/year	1,525,892	100,240,359
Payments on redemption of units	-	(98,397,322)
Net redemption	-	(98,397,322)
Payments on distributions	6 (1,609,007)	-
Net distributions	6 (1,609,007)	-
Profit/(loss) and total comprehensive income	83,115	(317,145)
Balance at the end of the period/year	-	1,525,892

For the number of units in issue and the net asset value per unit, please refer to Note 8 for details.

The following is the subscription/(redemption) of units of the relevant class in the respective Sub-Fund:

	From 1st January 2025 to 3 July 2025 (date of termination) Class C	From 1st January 2024 to 31st December 2024 Class C
Units outstanding at the beginning of the period/year	-	9,085,944.5038
Units issued	-	-
Units redeemed	-	(9,085,944.5038)
Units outstanding at the end of the period/year	-	-

The notes on pages 11 to 25 form an integral part of these financial statements.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

	From 1st January 2025 to 3rd July 2025 (date of termination) HK\$	From 1st January 2024 to 31st December 2024 HK\$
Cash flows from operating activities		
Profit/(loss) and total comprehensive income	83,115	(317,145)
Adjustments for:		
Interest income on bank deposits	(4,643)	(230,186)
Interest income on financial assets at fair value through profit or loss	-	(1,236,907)
Net losses on financial assets and liabilities at fair value through profit or loss	-	233,017
Withholding tax	11	937
	<u>78,483</u>	<u>(1,550,284)</u>
Capital gain tax paid	(11)	(937)
Decrease in restricted deposits paid	-	57,666
(Decrease)/increase in accrued expenses and other payables	(270,671)	37,285
Decrease in prepaid expenses and other receivables	12	4,528
Interest income received (net of withholding tax)	4,643	2,709,667
Payments on purchase of financial assets at fair value through profit or loss	-	(11,071,747)
Proceeds from sale of financial assets at fair value through profit or loss	-	88,751,647
	<u>(187,544)</u>	<u>78,937,825</u>
Net cash flows (used in)/from operating activities		
Cash flows from financing activities		
Payment on distributions	(1,609,007)	(108,397,323)
Net cash flows used in financing activities	<u>(1,609,007)</u>	<u>(108,397,323)</u>
Net decrease in cash and cash equivalents	(1,796,551)	(29,459,498)
Cash and cash equivalents at beginning of the year	1,796,551	31,256,049
Cash and cash equivalents at end of the period/year	<u>-</u>	<u>1,796,551</u>
Analysis of balances of cash and cash equivalents		
Cash at bank	-	1,796,551
	<u>-</u>	<u>1,796,551</u>

The notes on pages 11 to 25 form an integral part of these financial statements.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

1 The Fund and the Sub-Fund

BOCIP Asset Management Investment Funds (the “Fund”) is an unit trust which is governed by its trust deed dated 31st March 2010, among BOCI-Prudential Asset Management Limited as the Manager (the “Manager”), and BOCI-Prudential Trustee Limited as the Trustee (the “Trustee”). It is established under and governed by the laws of Hong Kong.

The Fund is an umbrella unit trust and BOCIP China Bond Fund (the “Sub-Fund”) is a sub-fund of the Fund.

The date of inception of the Sub-Fund is as follow:

<u>Sub-Fund</u>	<u>Date of commencement of operations</u>
BOCIP China Bond Fund	15th February 2013

The Sub-Fund is an open-ended unit trust and is authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) under Section 104(1) of the Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds (the “SFC Code”) established by the SFC.

Pursuant to the announcement made on 24th September 2024, the Manager has, decided to exercise its power under Clause 26.02(a) of the Trust Deed and to terminate the BOCIP China Bond Fund within one month from the date on which the PRC tax clearance is obtained. Pursuant to the announcement made on 3rd July 2025 , PRC tax clearance was obtained and the Manager has decided to terminate the BOCIP China Bond Fund on 3rd July 2025 (date of termination).

The financial statements for the period from 1st January 2025 to 3rd July 2025 (date of termination) are the last set of financial statements of the Sub-Fund.

2 Material accounting policies

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

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

2 Material accounting policies (continued)

(a) Basis of preparation

Due to the change of basis of preparation in the current period and the fact that the financial statements cover a period of less than twelve months, the amounts presented in the financial statements and the related explanatory notes for the period from 1st January 2025 to 3rd July 2025 (date of termination) are not entirely comparable with the amounts presented for the year ended 31 December 2024.

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

The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities (including derivative financial instruments) classified as at fair value through profit or loss that have been measured at fair value.

As disclosed in Note 1 to the financial statements, in the opinion of the Manager and the Trustee, the going concern basis was no longer applicable for the current period’s financial statements of BOCIP China Bond Fund. Accordingly, the financial statements of the Sub-Fund have been prepared on a liquidation basis. The termination expense amounted to HK\$196,840 for BOCIP China Bond Fund have been fully settled during the period from 1st January 2025 to 3rd July 2025 (date of termination).

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

All references to net assets throughout the financial statements refer to net assets attributable to unitholders unless otherwise stated.

Standards and amendments to existing standards which are relevant to the Sub-Fund and effective for the financial year beginning on 1st January 2025

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on or after 1st January, 2025 that have a material effect on the financial statements of the Sub-Fund.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

2 Material accounting policies (continued)

(b) Income

Interest income is recognised on a time-proportionate basis using the effective interest method in profit or loss. It includes interest income from cash and cash equivalents and on debt securities at fair value through profit or loss.

Other income is accounted for on an accrual basis and credited to profit or loss.

(c) Expenses

All expenses are accounted for on an accruals basis and are charged to the profit or loss.

(d) Cash and cash equivalents

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

(f) Redeemable units

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

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

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

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

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

(h) Accrued expenses and other payables

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

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

2 Material accounting policies (continued)

(i) 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.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

3 Significant accounting judgements and estimates

Judgements

In the process of applying the Sub-Fund's accounting policies, the Manager has made the following judgements apart from those involving estimations which have the most significant effect on the amounts recognised in the financial statements for the year ended 31 December 2024.

Capital gains tax on gains on debt securities in the PRC

The Sub-Fund invests primarily in debt securities through the QFII program. The PRC taxation of gains on debt securities is presently unclear as to:

- (a) whether the PRC will enforce tax on QFII gains on debt securities; and
- (b) if the PRC were to enforce the tax on gains on debt securities, it is uncertain from which date the tax would be calculated and payable.

The Manager has exercised their own judgement on whether the Sub-Fund may be liable for taxation on its gains to date and the amount of the potential liability. However, uncertainties exist and the judgement of the Manager may prove incorrect, as actual events may differ substantially. The Manager considers that their judgements may be impacted by any future clarification by the PRC State Administration of Taxation which may be different from what they earlier envisioned. Please refer to Note 4 to the financial statements for further details.

Value-added tax (the "VAT")

The Sub-Fund invests primarily in debt securities through the QFII program.

The Manager has exercised their own judgement on whether the Sub-Fund may be liable for taxation on its interest income received from investment in non-government bonds to date and the amount of the potential liability. However, uncertainties exist and the judgement of the Manager may prove incorrect, as actual events may differ substantially. The Manager considers that their judgements may be impacted by any future clarification by the PRC State Administration of Taxation which may be different from what they earlier envisioned. Please refer to Note 4 to the financial statements for further details.

For the period from 1st January 2025 to 3rd July 2025, there is no debt securities held by the Fund and the tax clearance with China Tax Authority was completed before 3rd July 2025 (the date of termination).

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

4 Taxation

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

For the period from 1st January 2025 to 3rd July 2025, there is no debt securities held by the Fund and the tax clearance with China Tax Authority was completed before 3rd July 2025 (the date of termination).

For the year ended 31st December 2024, the Sub-Fund invests debt securities in the PRC through the Manager, as an QFII license holder. Under the PRC Corporate Income Tax Law, the Sub-Fund may be liable to pay all PRC taxes and duties on the capital gains realised in the trading of debt securities in respect of the assets held through the quota granted to them (the “Quota”), value-added tax and withholding income tax on interest income received by QFIIs from investments in certain PRC debt securities.

PRC taxes on capital gains tax

Under the prevailing PRC CIT Law, there is no specific provision on whether capital gains derived by a non-resident investor (including the Sub-Fund) from disposal of PRC debt securities would be considered as PRC sourced income and subject to PRC WIT at 10%. Based on the current interpretation of the SAT and the local tax authorities, gains derived by foreign investors (including the Fund) from investment in PRC debt securities should not be treated as PRC sourced income thus should not be subject to PRC WIT. The Sub-Fund therefore did not accrue any PRC WIT and VAT provisions related to the capital gains on disposal of PRC debt securities during the year ended 31st December 2024.

Equally, there is a possibility that additional provision may be required in relation to the position as at 31st December 2024.

Value-added tax (the “VAT”)

In preparing these financial statements, the Manager has made certain assumptions and used various estimates concerning the potential tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual tax liabilities.

According to Circular 36 and Caishui [2016] No. 70, a supplementary notice to Circular 36 issued by the MOF and the SAT concerning the financial industry (“Circular 70”), interest income received from investment in non-government bonds is subject to a 6% VAT from 1st May 2016 onwards. Then Circular Caishui [2016] 140 (“Circular 140”) is issued to stipulate that asset managers are the VAT payers with respect to taxable income derived by asset management products since 1st May 2016. Shortly after, Circular Caishui [2017] 2 is issued to clarify that PRC VAT is only applicable to the taxable income derived by asset management products on or after 1st July 2017. Subsequently, the MOF and SAT jointly issued Circular Caishui [2017] No.56 further clarifying that asset management products start to be subject to VAT from 1st January 2018. In early 2017, there is clarification under the above circulars that PRC VAT shall apply to non-government bond interest received by offshore asset management products on or after 1st May 2016.

The prevailing VAT regulations do not specifically exempt VAT on interest income received by QFIIs, RQFIIs and qualified foreign financial institutions for directly investing in CIBM or via Bond Connect (“CIBM investor”) from investments in PRC debt securities. Interest receipts from investment in PRC debt securities by QFIIs, RQFIIs and CIBM investors shall be subject to 6% VAT unless special exemption applies. In addition, there are also other local surtaxes that would amount to as high as 12% of VAT liabilities. The SAT is working on the implementation rule for the VAT collection in relation to asset management products. Currently, in practice, PRC bond issuers have not withheld PRC VAT and local surcharges when paying non-government bond interest to offshore asset management products.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

4 Taxation (continued)

Value-added tax (the “VAT”) (continued)

Interest income derived from government bonds issued by the MOF, or bonds issued by local government of a province, autonomous region, municipality directly under the Central Government or municipality separately listed on the state plan, as approved by the State Council (“Government Bonds”) is exempt from PRC WIT and VAT. According to Circular 36 and Caishui [2016] No.46, deposit interest income is not subject to VAT.

With PRC VAT on interest income applicable from 1st May 2016 onwards, the Manager did not accrue the provision as at 31st December 2016 due to the lack of clarification on the Circular 140 and Circular Caishui [2017] 2. With the clarification of tax treatments from the PRC tax authorities in 2017, the Manager accrued all applicable PRC VAT and surcharges since 1st May 2016 starting from August 2017.

For the Circular Caishui [2018] No.108 jointly issued by MOF and SAT on 7th November 2018, the foreign institutional investors are temporarily exempt from VAT with respect to bond interest income derived in the domestic bond market for the period from 7th November 2018 to 6th November 2021. On 22nd November 2021, the MOF and SAT jointly Bulletin [2021] No.34 (Bulletin 34), which extended VAT exemptions for foreign institutional investors on bond interest derived from mainland China’s bond market for the period from 7th November 2021 to 31st December 2025.

The Manager made no provision for all the VAT for the year ended 31st December 2024.

Withholding income tax (the “WIT”)

The Sub-Fund are subject to PRC WIT at a rate of 10% on the interest receipts of the PRC debt securities issued by PRC tax residents, including bonds issued by enterprises established within mainland China, and on the dividend income received from China A-Shares and China H-shares and accrued the PRC WIT provision on these interest and dividend income during the year and are included in “Withholding tax” in the each respective Sub-Fund’s statements of profit or loss and other comprehensive income, if any.

For the Circular Caishui [2018] No.108 issued on 7th November 2018 jointly by MOF and SAT discussed above, the 3-year PRC tax exemption treatment of bond interest derived by foreign institutional investors would not include the WIT with respect to bond interest income derived in the domestic bond market for the period from 7th November 2018 to 6th November 2021. On 22nd November 2021, the MOF and SAT jointly Bulletin [2021] No.34 (Bulletin 34), which extended VAT exemptions for foreign institutional investors on bond interest derived from mainland China’s bond market for the period from 7th November 2021 to 31st December 2025. Therefore, there is no 10% distribution tax accrued and paid for the year ended 31st December 2024.

5 Financial assets and liabilities at fair value through profit or loss

	From 1st January 2025 to 3rd July 2025 (date of termination) HK\$	31st December 2024 HK\$
Gains/(losses) recognised in relation to financial assets and liabilities at fair value through profit or loss		
- realised	-	(3,903,539)
- unrealised	-	3,670,522
Net losses	-	(233,017)

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

6 Distributions to the unitholders

Pursuant to the announcement made by the Manager on 30th June 2025, the Manager and Trustee distribute the remaining balance of the fund including the excess provision distribution and all residual cash to the unitholders. For the period from 1st January 2025 to 3rd July 2025 (date of termination), the distributions to the unitholders amount to HK\$1,609,007.

7 Financial risk management

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

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in 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. Options, warrants and derivatives held by the Sub-Fund may also expose the Sub-Fund significantly to the fluctuations in the market. Market movement may therefore result in substantial fluctuation in the net asset value per unit of the Sub-Fund.

(i) Cash flow and fair value interest rate risk

The Sub-Fund is not subject to fair value interest rate risk as they do not have any investments in debt securities.

As at 3rd July 2025 (date of termination), the Sub-Fund held no financial instruments.

As at 31 December 2024, the Sub-Fund has invested in cash and short-term deposits, the income generated from deposits would be affected by changes in interest rates. As the cash and short-term deposits have contractual re-pricing or maturity dates within three months, the Manager considers the movement in interest rates would have insignificant cash flow impact on the net asset value, and therefore no sensitivity analysis is presented.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

7 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign currency risk

The Sub-Fund invests in currencies other than their base currencies and may be subject to exchange rate fluctuations with a potential reduction in the value of investments. Repatriation of capital invested may be hampered by changes in regulations applicable to foreign investors which may also have an adverse impact on the Sub-Fund's performance. Also, investors who wish to receive redemption proceeds in a currency other than the base currency of the relevant Sub-Fund will have to convert (whether through the Manager or otherwise) the proceeds to such other currency. In so doing, the investors will be subject to foreign exchange risk and the costs of currency conversion.

The table below summarises the Sub-Fund's monetary assets and liabilities which are exposed to foreign exchange risk:

There are no monetary assets and liabilities for the Sub-Fund as at 3 July 2025 (date of termination).

As at 31st December 2024

(Presented in HK\$)

	CNY	CNY (Onshore)	HKD	USD	Total
Monetary assets					
Bank balances	-	407,616	1,388,935	-	1,796,551
Total monetary assets	-	407,616	1,388,935	-	1,796,551
Total monetary liabilities	-	-	270,671	-	270,671
Net monetary assets / (liabilities)	-	407,616	1,118,264	-	1,525,880
% change in currency	10%	10%			
Impact on net assets	-	40,762			

The Manager regularly reviews the economic conditions of the countries in which the Sub-Fund invest to assess their currency outlook.

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

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

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

7 Financial risk management (continued)

(b) Liquidity risk

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

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

In accordance with the Sub-Fund's policies, the Manager monitors the Sub-Fund's liquidity position on a daily basis, and the Chief Investment Officer reviews them on a regular basis. The Manager may, with the approval of the Trustee, limit the number of units of any Sub-Fund redeemed on any dealing day to 10% of the latest available net asset value of such Sub-Fund. In this event, the limitation will apply pro rata so that all unitholders of the relevant class or classes wishing to redeem units in that Sub-Fund on that dealing day will redeem the same proportion by value of such units, and units not redeemed will be carried forward for redemption, subject to the same limitation, on the next dealing day. If requests for redemption are so carried forward, the Manager will inform the unitholders concerned. The Manager did not restrict any redemption during the period from 1st January 2025 to 3rd July 2025 (date of termination) and the year ended 31st December 2024.

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

There are no current liabilities for the Sub-Fund as at 3rd July 2025 (date of termination).

As at 31st December 2024	Less than 7 days HK\$	7 days to 1 month HK\$	1-12 months HK\$	Total HK\$
Accrued expenses and other payables	-	200,002	70,669	270,671
Contractual cash outflows	-	200,002	70,669	270,671

The following table illustrates the expected liquidity of assets held:

There are no assets for the Sub-Fund as at 3rd July 2025 (date of termination).

As at 31st December 2024	Less than 7 days HK\$	7 days to 1 month HK\$	1-12 months HK\$	1-3 years HK\$	Total HK\$
Total assets	1,796,551	-	-	-	1,796,551

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

7 Financial risk management (continued)

(c) Credit and counterparty risk

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

If the issuer of any of the debt securities in which the Sub-Fund invested defaults, the performance of the Sub-Fund will be adversely affected.

Financial assets not subject to HKFRS 9's impairment requirements

The Sub-Fund is exposed to credit risk on debt securities and derivative assets. These classes of financial assets are not subject to HKFRS 9's impairment requirements as they are measured at fair value through profit or loss. The carrying value of these assets, under HKFRS 9 represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to the HKFRS 9's impairment requirements on the respective reporting dates.

The Sub-Fund invests in a diversified portfolio of debt securities, the selection of which is based upon fundamental research analysis, to mitigate this credit risk. The Sub-Fund limit their exposures to credit risk by transacting the majority of their securities issued by issuers with high credit ratings. The Sub-Fund only trades with reputable brokers authorised by management.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits, amounts due from brokers and assets held with the custodians. The table below summarises the credit rating of banks and custodians with which the Sub-Fund's assets are held as at 3rd July 2025 (date of termination) and 31st December 2024.

As at 3rd July 2025 (date of termination), the Sub-Fund did not hold cash and cash equivalents.

As at 31st December 2024

	HK\$	Credit rating	Source of credit rating
<u>Banks</u>			
Bank of China	1,388,935	P-1	Bloomberg
Standard Chartered Bank, China	407,616	A-1	Bloomberg

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

8 Number of units in issue and the net asset value per unit

	Note	3rd July 2025 (date of termination)	31st December 2024
		HK\$	HK\$
Units in issue			
Class C		-	-
Net asset value attributable to			
Class C		-	1,525,892
		-	1,525,892
Net asset value per unit			
Class C		-	-

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

9 Transactions with the Manager, Trustee and Custodians and their connected persons

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

(a) Bank balances with a connected person of the Manager and Trustee

Bank balances maintained with the connected person of the Manager and Trustee as at 3rd July 2025 (date of termination) and 31st December 2024 were as follows:

	3rd July 2025 (date of termination) HK\$	31 December 2024 HK\$
BOCIP China Bond Fund	-	1,680,289

(b) Interest income earned from bank balances with a connected person of the Manager and Trustee

Interest income earned from bank balances maintained with a connected person of the Manager and Trustee as at 3rd July 2025 and 31st December 2024 were as follows:

	From 1st January 2025 to 3rd July 2025 (date of termination) HK\$	31st December 2024 HK\$
BOCIP China Bond Fund	4,534	33,249

(c) Holdings in the Sub-Fund

The Sub-Fund allow the Manager and Trustee, their connected persons and other funds managed by the Manager and Trustee to subscribe for, and redeem, units in the Sub-Fund. As at 3rd July 2025 and 31st December 2024, no units were held by the Manager and Trustee and their connected persons.

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

For the period from 1st January 2025 to 3rd July 2025 and the years ended 31st December 2024, no switching fees and initial charges were earned by the Manager and its connected persons for the Sub-Fund.

(e) Fees borne by the Manager

For the period from 1st January 2025 to 3rd July 2025, publishing fee of HK\$7,781 was borne by the manager and the years ended 31st December 2024, no fees or expenses were born by the Manager for the Sub-Fund.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

9 Transactions with the Manager, Trustee and Custodians and their connected persons (continued)

(f) Bank charges with a connected person of the Manager and Trustee

Bank charges with a connected person of the Manager and Trustee as at 3rd July 2025 and 31st December 2024 were as follows:

	From 1st January 2025 to 3rd July 2025 (date of termination) HK\$	31st December 2024 HK\$
BOCIP China Bond Fund	-	6,779

10 Transaction costs and transaction handling fee

The transaction costs pertain the fees incurred during the transactions of buy or sell financial assets and liabilities through profit or loss paid to brokers or other service providers.

The transaction handling fee is charged by Trustee as agreed from time to time between the Trustee and the Manager per each transaction of financial assets and liabilities through profit or loss.

11 Changes in liabilities arising from financing activities

	1st January 2025 HK\$	Cash flows HK\$	Increase in amounts payable on distributions HK\$	3rd July 2025 HK\$
Amounts payable on distributions	-	(1,609,007)	1,609,007	-

	1st January 2024 HK\$	Cash flows HK\$	Increase in amounts payable on redemption HK\$	31st December 2024 HK\$
Amounts payable on redemption	10,000,000	(10,000,000)	-	-

12 Soft commission arrangements

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

The goods and services must be of demonstrable benefit to the Sub-Fund and may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis and data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1st JANUARY 2025 TO 3rd JULY 2025 (DATE OF TERMINATION)

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

13 Cash and Cash Equivalents

	3rd July 2025 (date of termination) HK\$	31st December 2024 HK\$
Cash at bank	-	1,796,551
	-	1,796,551

14 Swing Pricing Policy

Under the current swing pricing strategy as adopted by the Manager, the Manager may apply swing factor(s) (in the form of an adjustment percentage) in the determination of the issue price or redemption price per unit where the net amount of subscription or redemption of the Sub-Fund exceeds a pre-determined swing threshold. Such pre-determined swing threshold will be determined, reviewed and adjusted (if needed) on a periodic basis by the Manager and may vary for each Sub-Fund. The Manager will consult the Trustee prior to any adjustment to the pre-determined swing threshold and such adjustment would only be made where the Trustee has no objection to it.

Under normal market circumstances, the swing factor(s) will not exceed 2% of the price in the base currency of the Sub-Fund on the relevant dealing day. Under critical market circumstances (such as financial crisis or natural disaster), the Manager may increase the swing factor(s) above 2% in order to protect the best interests of the Unitholders. In such circumstances, the Manager will notify the investors of the increased swing factor through the Manager's website and apply the revised swing factor with immediate effect.

The resulting issue price or redemption price per Unit of the Sub-Fund on the relevant dealing day will be increased by the swing factor where the net amount of subscription on the relevant dealing day exceeds the applicable pre-determined swing threshold, or decreased by the swing factor where the net amount of redemption on the relevant dealing day exceeds the applicable pre-determined swing threshold. Such swing factor will apply for all classes of units within the Sub-Fund. Depending on the circumstances, investors for new units may subscribe at a higher issue price and existing Unitholders may redeem at a lower redemption price.

There were no swing pricing adjustments affecting the Sub-Fund's NAV per unit on 3rd July 2025 (date of termination) and 31st December 2024.

15 Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 29th September 2025.

BOCIP ASSET MANAGEMENT INVESTMENT FUNDS – CHINA BOND FUND

PERFORMANCE TABLE (UNAUDITED)

AS AT 3RD JULY 2025 (DATE OF TERMINATION)

NET ASSET VALUE

Sub-Fund	Financial year ended	Net asset value of the Sub-Fund	Net asset value per unit
		Class C HK\$	Class C HK\$
BOCIP China Bond Fund (Note 1)	date of termination	-	-
	31.12.2024	1,525,892	-
	31.12.2023	100,240,359	11.0325
	31.12.2022	191,669,120	11.0227

PERFORMANCE RECORD (UNAUDITED)

AS AT 3RD JULY 2025 (DATE OF TERMINATION)

HIGHEST ISSUE/LOWEST REDEMPTION PRICE PER UNIT

Sub-Fund	Financial year ended	Highest issue price per unit	Lowest redemption price per unit
		Class C HK\$	Class C HK\$
BOCIP China Bond Fund	date of termination	N/A	N/A
	31.12.2024	11.1826	9.8523
	31.12.2023	11.3857	10.7316
	31.12.2022	12.0217	10.6209
	31.12.2021	11.8293	11.1744
	31.12.2020	11.1744	10.3196
	31.12.2019	10.7506	10.1512
	31.12.2018	10.9997	10.1520
	31.12.2017	10.4795	9.8747
	31.12.2016	10.6043	9.8430
	31.12.2015	10.6961	10.3593