

**BOSERA RMB BOND FUND**  
a Sub-Fund of  
**BOSERA INVESTMENT FUNDS**

**ANNUAL REPORT**

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For the period from 1 January 2023 to 30 April 2024 (Date of Termination)

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**ANNUAL REPORT**  
**FOR THE PERIOD ENDED 30 APRIL 2024 (DATE OF TERMINATION)**

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**BOSERA RMB BOND FUND  
(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**MANAGEMENT AND ADMINISTRATION OF THE FUND**

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**Manager**

Bosera Asset Management (International) Co., Limited  
Suite 4109, Jardine House  
One Connaught Place  
Central  
Hong Kong

**Trustee and Registrar**

HSBC Institutional Trust Services (Asia) Limited  
1 Queen's Road Central  
Hong Kong

**PRC Custodian**

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

**PRC Custodian's Delegate**

HSBC Bank (China) Company Limited  
33/F, HSBC Building  
Shanghai IFC  
8 Century Avenue  
Pudong, Shanghai 200120  
China

**Auditor**

PricewaterhouseCoopers  
22/F, Prince's Building  
Central  
Hong Kong

**Legal Adviser**

Simmons & Simmons  
30th Floor One Taikoo Place  
979 King's Road  
Hong Kong

**BOSERA RMB BOND FUND  
(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**REPORT OF THE MANAGER TO THE UNITHOLDERS**

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In 2023, the Chinese economy continued to be affected by various factors including a weak property market, global monetary tightening and persistent geopolitical uncertainties. The People's Bank of China maintained a relatively accommodative monetary stance, providing more counter cyclical supports for real economy. The fund strategically focused on interest rate bonds and convertible bonds, which could benefit from an easing rates environment.

The fund's prudent allocation allowed it to navigate the complicated market conditions effectively, generating positive returns for the year.



Bosera Asset Management (International) Co., Limited  
30 August 2024

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**REPORT OF THE TRUSTEE TO THE UNITHOLDERS**

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We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 5 January 2012, as amended, for the period from 1 January 2023 to 30 April 2024 (date of termination).

  
HSBC Institutional Trust Services (Asia) Limited  
Hong Kong, 30 August 2024

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF BOSERA RMB BOND FUND  
(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

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**Report on the Audit of the Financial Statements**

**Opinion**

*What we have audited*

The financial statements of Bosera RMB Bond Fund (the "Fund") (a sub-fund of Bosera Investment Funds), which are set out on pages 7 to 33, comprise:

- the statement of financial position as at 30 April 2024 (date of termination);
- the statement of comprehensive income for the period from 1 January 2023 to 30 April 2024 (date of termination);
- the statement of changes in net assets attributable to unitholders for the period from 1 January 2023 to 30 April 2024 (date of termination);
- the statement of cash flows for the period from 1 January 2023 to 30 April 2024 (date of termination); and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

*Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 April 2024 (date of termination), and of its financial transactions and its cash flows for the period from 1 January 2023 to 30 April 2024 (date of termination) in accordance with IFRS Accounting Standards.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

**Emphasis of Matter**

We draw attention to Notes 1 and 2 to these financial statements which state that all the redeemable units of the Fund had been fully redeemed by the unitholders on 12 October 2023 and the Manager has decided to terminate the Fund with effect from 30 April 2024. As a result, these financial statements have been not prepared on a going concern basis, but prepared in accordance with the basis set out in Note 2. Our opinion is not modified in respect of this matter.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of 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  
TO THE UNITHOLDERS OF BOSERA RMB BOND FUND  
(A SUB-FUND OF BOSERA INVESTMENT FUNDS) (CONTINUED)**

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**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the Management determines 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 Management of the Fund is responsible for assessing the 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 Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 5 January 2012, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management'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 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 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.

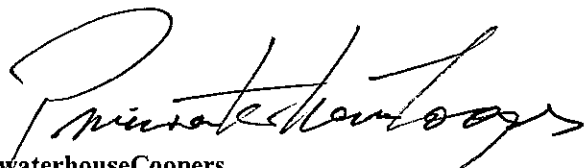
We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF BOSERA RMB BOND FUND  
(A SUB-FUND OF BOSERA INVESTMENT FUNDS) (CONTINUED)**

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**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and 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 Appendix E of the SFC Code.



**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 30 August 2024

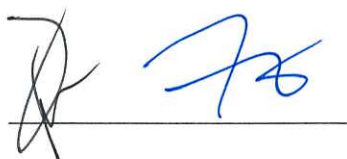


**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2024 (DATE OF TERMINATION)**

	Note	30 April 2024 (date of termination) RMB	2022 RMB
<b>Current Assets</b>			
Investments	4(b), 8(c)	-	19,382,983
Interest receivable		-	118,778
Bank interest receivable	8(c)	9	16
Rebates receivable from the Manager	8(g)	142,926	228,697
Cash and cash equivalents	8(c)	288,225	2,543,744
		<hr/>	<hr/>
<b>Total Assets</b>		431,160	22,274,218
		<hr/>	<hr/>
<b>Current Liabilities</b>			
Other payables	8(a), (b) & (f)	431,160	305,226
		<hr/>	<hr/>
<b>Liabilities (excluding net assets attributable to unitholders)</b>		431,160	305,226
		<hr/>	<hr/>
<b>Net assets attributable to unitholders</b>		-	21,968,992
		<hr/>	<hr/>

On behalf of  
HSBC Institutional Trust Services  
(Asia) Limited  
as the Trustee



On behalf of  
Bosera Asset Management  
(International) Co., Limited  
as the Manager



**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

		Period from 1 January 2023 to 30 April 2024 (date of termination)	2022
	Note	RMB	RMB
<b>Income</b>			
Interest on bank deposits	8(c)	6,817	13,864
Interest on investments		343,937	9,013
Other income	8(g)	440,178	228,697
Net gains/(losses) on investments	6	447,839	(1,328,122)
Net foreign currency losses		(8,840)	(17,459)
<b>Total investment income/(losses)</b>		<u>1,229,931</u>	<u>(1,094,007)</u>
<b>Expenses</b>			
Management fee	8(a)	93,166	143,040
Trustee fee	8(b)	254,041	300,000
Registrar fees	8(d)	40,416	38,074
Audit fee		187,355	162,709
Legal and professional fees		110,000	881
Transaction costs	9	8,160	523
Other expenses	8(f)	145,071	177,301
<b>Total operating expenses</b>		<u>838,209</u>	<u>822,528</u>
<b>Operating profits/(losses)</b>		<u>391,722</u>	<u>(1,916,535)</u>
Tax expense	7	<u>(652)</u>	<u>(1,373)</u>
<b>Increase/(decrease) in net assets attributable to unitholders from operations</b>		<u><u>391,070</u></u>	<u><u>(1,917,908)</u></u>

The notes on pages 11 to 33 are an integral part of these financial statements.

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

	Note	Period from 1 January 2023 to 30 April 2024 (date of termination) RMB	2022 RMB
<b>Net assets attributable to unitholders at the beginning of the period/year</b>		21,968,992	26,830,967
Redemption of units	3	(22,360,406)	(2,944,067)
Subscription of units		344	-
Net decrease from unit transactions		(22,360,062)	(2,944,067)
Increase/(decrease) in net assets attributable to unitholders from operations		391,070	(1,917,908)
<b>Net assets attributable to unitholders at the end of the period/year</b>		-	21,968,992
<b>Number of units in issue</b>		<b>Units</b>	<b>Units</b>
<b>Class A Unit</b>			
Units in issue at the beginning of year		119,354	146,660
Redemption of units		(119,354)	(27,306)
Units in issue at the end of period/year		-	119,354
<b>Class DI Unit</b>			
Units in issue at the beginning of year		85,520	85,520
Redemption of units		(85,520)	-
Units in issue at the end of period/year		-	85,520

The notes on pages 11 to 33 are an integral part of these financial statements.

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

	Period from 1 January 2023 to 30 April 2024 (date of termination) RMB	2022 RMB
<b>Cash flows from operating activities</b>		
Increase/(decrease) in net assets attributable to unitholders from operations	391,070	(1,917,908)
Adjustment for:		
Interest on investments	(343,937)	(9,013)
Interest on bank deposits	(6,817)	(13,864)
Withholding tax on interest income	652	1,373
Operating profit/(loss) before working capital changes	40,968	(1,939,412)
Net decrease in investments	19,382,983	3,441,381
Net decrease/(increase) in rebates receivable from the Manager	85,771	(88,424)
Net increase in other payables	125,934	1,912
Cash generated from operations	19,635,656	1,415,457
Interest on investments	462,715	17,979
Interest on bank deposits received	6,172	12,484
<b>Net cash generated from operating activities</b>	<b>20,104,543</b>	<b>1,445,920</b>
<b>Cash flows from financing activities</b>		
Proceeds from subscription of units	344	-
Payments on redemption of units	(22,360,406)	(2,944,067)
<b>Net cash used in financing activities</b>	<b>(22,360,062)</b>	<b>(2,944,067)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,255,519)</b>	<b>(1,498,147)</b>
Cash and cash equivalents at the beginning of the period/year	2,543,744	4,041,891
<b>Cash and cash equivalents at the end of the period/year</b>	<b>288,225</b>	<b>2,543,744</b>
<b>Analysis of balance of cash and cash equivalents</b>		
Cash at banks	288,225	2,543,744

The notes on pages 11 to 33 are an integral part of these financial statements.

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**1. The Fund**

Bosera Investment Funds (the “Trust”) is an umbrella unit trust governed by its Trust Deed dated 5 January 2012, as amended, (the “Trust Deed”) made between Bosera Asset Management (International) Co., Limited as Manager (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited as Trustee (the “Trustee”).

The terms of the Trust Deed are governed by the laws of Hong Kong. The Trustee and the Manager established Bosera RMB Bond Fund (the “Fund”) by execution of a supplemental Trust Deed dated 5 January 2012. As at 30 April 2024 (date of termination) and 31 December 2022, the Trust has four Sub-Funds, namely, Bosera RMB Bond Fund, Bosera China Opportunities Bond Fund, Bosera-Aberdeen Standard Emerging Opportunities Bond Fund and Bosera Greater China Bond Fund. The Trust and the Fund are authorised by the Securities and Futures Commission in Hong Kong under Section 104 of the Hong Kong Securities and Futures Ordinance.

The investment objective of the Fund is to seek long-term interest income and capital appreciation through investing all of its assets in RMB-denominated fixed income securities issued within People’s Republic of China (“PRC”).

The Manager has obtained Renminbi Qualified Foreign Institutional Investor (“RQFII”) status from the China Securities Regulatory Commission (“CSRC”) and has been granted RQFII quota by the State Administration of Foreign Exchange (“SAFE”) of the PRC pursuant to the RQFII Regulations. The Fund utilises RQFII quota granted by SAFE to the Manager.

Pursuant to Notice to Unitholders dated 30 April 2024, the Manager of the Trust and the Fund has decided to terminate the Fund with effect from 30 April 2024 (“Termination Date”). All the redeemable units of the Fund had been fully redeemed by the unitholders on 12 October 2023.

Although PRC tax clearance has not been obtained as of the date of the approval date of these financial statements, the Manager has decided to terminate the Fund on 30 April 2024. Pursuant to Notice to Unitholders dated 30 April 2024, if the PRC tax authorities make a tax assessment to the effect that there is any PRC tax liabilities on the Fund, such liabilities will be borne by the Manager. In addition, the Manager will bear all costs and expenses associated with the termination and the subsequent withdrawal of authorization from the Securities and Futures Commission of Hong Kong (“SFC”) of the Fund.

On 27 May 2024, the SFC has withdrawn the authorisation of the Fund and its offering documents. As such, the financial statements of the Fund have not been prepared on a going concern basis, refer to Note 2 for details.

**2. Summary of material accounting policies**

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

**(a) Basis of preparation**

The financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Trustee and Manager (collectively the “Management”) to exercise their judgement in the process of applying the Fund’s 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 5.

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**2. Summary of material accounting policies (Continued)**

**(a) Basis of preparation (Continued)**

As refer to Note 1, the Fund would be terminated with effect from the Termination Date and the financial statements for the period from 1 January 2023 to 30 April 2024 (date of termination) have not been prepared on a going concern basis.

The Manager and the Trustee (the “Management”) assessed that the values of all assets and liabilities at the reporting date approximate their net realisable value, and therefore no changes of accounting policies or adjustments have been made in the financial statements in order to reflect the fact that the Fund will be able to realise its assets or to extinguish its liabilities in the normal course of business.

New and amended standards adopted by the Fund

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

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

**(i) Classification**

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The contractual cash flows of the Fund’s debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund’s policy requires the Management to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**2. Summary of material accounting policies (Continued)**

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

**(ii) Recognition, derecognition and measurement**

Regular purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the “financial assets or financial liabilities at fair value through profit or loss” category are presented in the statement of comprehensive income within net gains on financial assets at fair value through profit or loss in the period in which they arise.

**(iii) Fair value estimation**

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 of financial assets and liabilities traded in active markets<sup>1</sup> (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Fund utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Debt securities are fair valued based on quoted prices. The fair value of debt securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market markers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry.

Investments which are traded in the interbank markets (for example, unlisted debt securities) are fair valued by using the valuation provided by China Central Depository & Clearing Co., Ltd., a company jointly established by People’s Bank of China and Ministry of Finance to undertake the function of centralised depository and settlement for the interbank bond market.

**(iv) Transfers between levels of the fair value hierarchy**

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year.

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**2. Summary of material accounting policies (Continued)**

**(c) Income**

Interest income is recognised on a time-proportionate basis using the effective interest method in the statement of comprehensive income for all interest bearing instruments. Other income is accounted for on an accrual basis.

The effective interest method is a method of calculating the amortised cost of an interest bearing asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

**(d) Translation of foreign currencies**

**(i) Functional and presentation currencies**

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The performance of the Fund is measured and reported to unitholders in Chinese Yuan Renminbi "RMB". The Manager considers RMB as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in RMB, which is the Fund's functional and presentation currency.

**(ii) Transactions and balances**

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

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within "net foreign currency losses".

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

**(e) Transaction costs**

Transactions costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

**(f) Expenses**

Expenses are accounted for on an accrual basis.



**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**2. Summary of material accounting policies (Continued)**

**(g) Redeemable units**

The Fund issues redeemable units which are redeemable at the holder's option.

Redeemable units can be put back to the Fund at any dealing date for cash equal to a proportionate share of the Fund's net asset value. Units are redeemable on a daily basis.

The redeemable shares are carried at amortised cost which corresponds to the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Fund.

The Fund has two classes of units in issue: Class A and Class DI, which rank pari passu in all material respects but have different terms and conditions as set out in the Fund's Explanatory Memorandum, which include minimum investment amounts and management fees. As the different classes of units do not have identical features, they do not meet the criteria for equity classification and therefore are classified as financial liabilities.

Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units of the respective classes.

**(h) Cash and cash equivalents**

Cash and cash equivalents includes cash at banks and deposits held with banks with original maturities of three months or less.

**(i) Taxation**

The Fund incurs withholding taxes and value added tax imposed by the PRC on investment income. Such income is recorded gross of taxes in the statement of comprehensive income. Taxes are recorded separately and included as taxation in the statement of comprehensive income.

**(j) Distribution to unitholders**

The Manager may in its discretion make cash distributions to unitholders out of income or capital (or partly out of income and partly out of capital) of the Fund at such times as the Manager considers appropriate. Distributions to unitholders are recognised when they are approved by the Manager.

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. Number of units in issue and net assets attributable to unitholders per unit**

The Fund's capital is represented by "net assets attributable to unitholders" and is classified as financial liabilities as at 30 April 2024 (date of termination) and 31 December 2022 in the statement of financial position. Subscriptions and redemptions of units during the period/year are shown in the statement of changes in net assets attributable to unitholders. In order to achieve the investment objectives, the Fund endeavors to invest its capital in accordance with the investment policies and risk management policies as outlined in note 4, whilst maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments. As at 30 April 2024 (date of termination) and 31 December 2022, the Fund has two classes of units in issue: Class A and Class DI.

	<b>30 April 2024</b>		<b>2022</b>	
	<b>(date of termination)</b>			
	<b>Class A</b>	<b>Class DI</b>	<b>Class A</b>	<b>Class DI</b>
	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>
Number of units in issue				
Units in issue at the end of period/year	-	-	119,354	85,520
			<b>30 April 2024</b>	<b>31 December</b>
			<b>(date of termination)</b>	<b>2022</b>
			<b>RMB</b>	<b>RMB</b>
Net asset value per unit				
- Class A units			-	104.24
- Class DI units			-	111.40

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**4. Financial risk management**

**(a) Financial risk factors**

The investment objective of the Fund is to seek long-term interest income and capital appreciation through investing all of its assets in RMB-denominated fixed income securities issued within PRC. The Fund seeks to achieve its investment objective by investing in RMB-denominated fixed income securities which include bonds, commercial papers, short term bills and short term notes issued by issuers such as government entities or agencies, supra-national organisations, banks and corporations primarily established or incorporated in the PRC.

The Fund is exposed to market price risk, cash flow and fair value interest rate risk, credit and custody risk, liquidity risk and currency risk.

The risks and the respective risk management policies employed by the Fund to manage these risks are discussed below.

**(b) Market price risk**

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

As at 30 April 2024 (date of termination), the Fund did not hold any investment.

As at 31 December 2022, the overall market exposures were as follows:

	<b>2022</b>	
	<b>Fair value RMB</b>	<b>Cost RMB</b>
Bonds	19,382,983	18,708,988

As the Fund mainly invests in debt securities, the sensitivity analysis of market price risk is disclosed in the interest rate sensitivity analysis in note 4(c) below.

**Net market exposures**

The following table shows the net market exposure the Fund has to the market, incorporating the underlying market risk through all financial assets and liabilities held by the Fund. Market below represents where the holding company/head office of the issuer predominately domiciles/operates.

	<b>2022 RMB equivalent</b>
<b>Markets exposed to</b>	
China	19,382,983

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**4. Financial risk management (Continued)**

**(b) Market price risk (Continued)**

**Net market exposures (Continued)**

The following table shows the net exposures to sectors as at 31 December 2022:

	<b>2022</b>
Sectors exposed to	<b>% of net asset value</b>
Auto Parts & Equipment	1
Banks	51
Electric	6
Electronics	6
Financial Services - Diversified - Industry	11
Homebuilding/household goods	6
Investment banking and brokerage services	2
Paper products	5
	<hr/>
	88
	<hr/>

The following issuer of investments with aggregated market value exceeded 10% of the Fund's net asset value at 31 December 2022:

	<b>% of net assets value</b>
	<b>2022</b>
Agricultural and Development Bank of China	28.53
China CITIC Bank Corp Ltd	10.00

Up to 30% of the net asset value of the Fund may be invested in Government and other public securities of the same issue.

**(c) Interest rate risk**

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

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of interest-bearing assets and liabilities and future cash flow. The Fund holds bonds that expose the Fund to fair value interest rate risk. The Fund also holds cash and cash equivalents that expose the Fund to cash flow interest rate risk.

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**4. Financial risk management (Continued)**

**(c) Interest rate risk (Continued)**

The table below summarises the Fund's exposure to interest rate risks. It includes the Fund's financial assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

**At 30 April 2024 (date of termination)**

	<b>Up to 1 year RMB</b>	<b>1-5 years RMB</b>	<b>Over 5 years RMB</b>	<b>Non- interest bearing RMB</b>	<b>Total RMB</b>
<b>Assets</b>					
Other assets	-	-	-	142,935	142,935
Cash and cash equivalents	288,225	-	-	-	288,225
	<u>288,225</u>	<u>-</u>	<u>-</u>	<u>142,935</u>	<u>431,160</u>
<b>Liabilities</b>					
Other liabilities	-	-	-	431,160	431,160
	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,160</u>	<u>431,160</u>
<b>Total interest sensitivity gap</b>	<u>288,225</u>	<u>-</u>	<u>-</u>		

**At 31 December 2022**

	<b>Up to 1 year RMB</b>	<b>1-5 years RMB</b>	<b>Over 5 years RMB</b>	<b>Non- interest bearing RMB</b>	<b>Total RMB</b>
<b>Assets</b>					
Investments	1,576,620	10,743,819	7,062,544	-	19,382,983
Other assets	-	-	-	347,491	347,491
Cash and cash equivalents	2,543,744	-	-	-	2,543,744
	<u>4,120,364</u>	<u>10,743,819</u>	<u>7,062,544</u>	<u>347,491</u>	<u>22,274,218</u>
<b>Liabilities</b>					
Other liabilities	-	-	-	305,226	305,226
	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,226</u>	<u>305,226</u>
<b>Total interest sensitivity gap</b>	<u>4,120,364</u>	<u>10,743,819</u>	<u>7,062,544</u>		

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**4. Financial risk management (Continued)**

**(c) Interest rate risk (Continued)**

The majority of the Fund's interest rate exposure on debt instruments are RMB denominated. Interest rate exposures are expressed in terms of rate of weighted modified duration. The Manager monitors the interest rate risks by quantifying market exposure in duration terms. Beta adjusted weighted modified duration is the modified duration multiplied by the allocation of net asset value and a sensitivity factor. As at 30 April 2024 (date of termination), the Fund did not hold any investments. As at 31 December 2022, the weighted average modified duration of the Fund is 3.95.

As at 31 December 2022, should interest rates have lowered/risen by 50 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately RMB0.4 million, arising substantially from the increase/decrease in market values of debt securities.

**(d) Credit and custody risk**

The Fund is exposed to credit risk which is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Fund's financial assets which are potentially subject to concentration of credit risk consist of cash and cash equivalents and assets held with custodian and its delegate. The table below summarises the net exposure to the Fund's counterparties as at 30 April 2024 (date of termination) and 31 December 2022 together with their credit ratings:

	<b>30 April 2024 (date of termination) RMB</b>	<b>2022 RMB</b>
<u>Investments</u>		
HSBC Bank (China) Company Limited	-	19,382,983
<u>Cash and cash equivalents</u>		
The Hongkong and Shanghai Banking Corporation Limited	275,308	65,632
HSBC Bank (China) Company Limited	12,917	2,478,112

As at 30 April 2024 (date of termination) and 31 December 2022, the credit ratings of the Fund's PRC custodian, PRC custodian's delegate are at or above investment grade with reference to the rating agencies.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. Financial risk management (Continued)**

**(d) Credit and custody risk (Continued)**

As the Fund holds debt securities, it is also exposed to risk that the issuers may not be able to repay the principal amount at maturity and interest. The credit risk is mitigated as the debt securities held are subject to the requirements of (i) maximum holding of 10% of net asset value for any single issuer and/or (ii) maximum holding of 30% of net asset value for Government and other public securities of the same issue.

As at 30 April 2024 (date of termination), the Fund did not hold any investment. The table below summarises the credit rating of the investment portfolio categorised by the rating agencies as at 31 December 2022:

**Portfolio by rating category of bonds:**

<b>Rating</b>	<b>2022 % of net asset value</b>
Investment Grade	56.08
Non-rated	32.15
<b>Total</b>	<b>88.23</b>

The table below summarises the credit rating of the issuer of non-rated bonds categorised by the rating agencies as at 31 December 2022:

<b>Issuer of bond</b>	<b>Rating</b>	<b>2022 % of net asset value</b>
<b>Policy banks</b>		
	Investment Grade	32.15
		32.15

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of financial position.

All transactions in listed/quoted investments are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal since delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Fund limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Fund considers to be well established

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**4. Financial risk management (Continued)**

**(d) Liquidity risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations as they fall due, including a redemption request.

The Fund is exposed to daily cash redemptions of units in the Fund. The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting 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.

	<b>Less than 1 month RMB</b>	<b>1-3 months RMB</b>	<b>Over 3 months RMB</b>
<b>At 30 April 2024 (date of termination)</b>			
Other payables	284,895	-	146,265
<b>Contractual cash outflow</b>	<b>284,895</b>	<b>-</b>	<b>146,265</b>
	<b>Less than 1 month RMB</b>	<b>1-3 months RMB</b>	<b>Over 3 months RMB</b>
<b>At 31 December 2022</b>			
Other payables	277,649	-	27,577
Net assets attributable to unitholders	21,968,992	-	-
<b>Contractual cash outflow</b>	<b>22,246,641</b>	<b>-</b>	<b>27,577</b>

As at 30 April 2024 (date of termination), all units have been redeemed. As at 30 April 2024 (date of termination), there were no (2022: three) unitholders holding more than 10% of the Fund's units (2022: totaling 88.95%) of Class A units and (2022: totaling 100%) of Class DI units respectively.



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**4. Financial risk management (Continued)**

**(e) Liquidity risk (Continued)**

The Fund manages its liquidity risk by investing predominantly in debt securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of the current assets held:

	Less than 7 days RMB	7 days to less than 1 month RMB	1-12 months RMB
<b>At 30 April 2024 (date of termination)</b>			
<b>Total current assets</b>	431,151	9	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 December 2022</b>			
<b>Total current assets</b>	22,155,424	16	118,778
	<u>          </u>	<u>          </u>	<u>          </u>

**(f) Currency risk**

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

The Fund has liabilities denominated in currency other than RMB, the functional and presentation currency. The Fund is therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The table below summarises the Fund's monetary and non-monetary exposures to different major currencies as at 30 April 2024 (date of termination) and 31 December 2022:

	<b>30 April 2024</b> <b>(date of termination)</b> <b>RMB equivalents</b>	<b>2022</b> <b>RMB equivalents</b>
Hong Kong Dollar		
Monetary	(152,085)	(131,726)
United States Dollar		
Monetary	(48,322)	(37,684)

The Fund holds monetary assets and liabilities which are mainly denominated in RMB. The Manager considers that there is no significant exposure to currency risk and hence sensitivity analysis is not presented.

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**4. Financial risk management (Continued)**

**(f) Currency risk (Continued)**

The below table summarizes the impact of increase or decrease of key exchange rates on the exposures tabled above, to which the fund is exposed. The analysis is based on the assumption that the exchange rates had increased/decreased by 10% (2022: 10%) with all other variables held constant.

	<b>30 April 2024</b> <b>(date of termination)</b> <b>Impact on net assets</b> <b>RMB</b>	<b>2022</b> <b>Impact on net assets</b> <b>RMB</b>
Hong Kong Dollar Monetary	±15,209	±13,173
United States Dollar Monetary	±4,832	±3,768

The manager has used their view of what would be a “reasonable possible shift” in the exchange rates to estimate the change for use in the currency risk sensitivity analysis above.

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

**(g) Fair value estimation**

The fair value of financial assets and liabilities traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the year end date. The Fund used the last traded market price as its fair valuation inputs for both financial assets and financial liabilities.

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

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

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

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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**4. Financial risk management (Continued)**

**(g) Fair value estimation (Continued)**

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

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

As at 30 April 2024 (date of termination), the Fund did not hold any investment.

The following table analyses within the fair value hierarchy the Fund’s investments (by class) measured at fair value as at 31 December 2022:

**At 31 December 2022**

	<b>Level 1 RMB</b>	<b>Level 2 RMB</b>	<b>Level 3 RMB</b>	<b>Total RMB</b>
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Bonds	-	19,382,983	-	19,382,983
<b>Total assets</b>	-	19,382,983	-	19,382,983

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**4. Financial risk management (Continued)**

**(g) Fair value estimation (Continued)**

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2, such as unlisted bonds and inactive listed bonds. The investments in unlisted RMB denominated bonds are valued with reference to valuation provided by China Central Depository & Clearing Co., Ltd. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect liquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 30 April 2024 (date of termination) and 31 December 2022, the Fund did not hold any investments classified in level 3.

For the period ended 30 April 2024 (date of termination) and year ended 31 December 2022, no securities were transferred between any of the levels.

Assets and liabilities included in the statement of financial position, except for investments, are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

**(h) Financial instruments by category**

Apart from investments as disclosed in the statement of financial position which are classified as financial assets at fair value through profit or loss, all other financial assets as disclosed in the statement of financial position, including interest receivable and cash and cash equivalents, are categorised as “financial assets at amortised cost”.

All liabilities as disclosed in the statement of financial position, excluding provision for taxation, is categorised as “other financial liabilities at amortised cost”.

**(i) Capital risk management**

The capital of the Fund is represented by the net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund’s objective when managing capital is to safeguard the Fund’s ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

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

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

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

The Fund did not make any distributions during the period/year (2022: Nil) (Note 11).

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**5. Critical accounting estimates and judgements**

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

**People's Republic of China ("PRC") tax provision**

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

Under the general tax provision of PRC Corporate Income Tax Law ("PRC CIT Law"), the non-PRC residents with no place of effective management, establishment or place of business in the PRC may be subject to 10% PRC withholding income tax ("WIT") on the capital gain derived from disposal of securities, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

In addition, the non-PRC residents with interest income derived from the debt securities will be subject to 10% WIT. Pursuant to the PRC CIT Law, debt securities issuers in the PRC are obligated to withhold the 10% PRC WIT on interest income at source for those foreign investors. However, interest income derived from government bonds issued by the State Council's finance departments and/or local government bonds approved by the State Council is exempt from PRC WIT under the PRC CIT Law.

Furthermore, according to the notice Caishui [2016] No.36 ("Circular 36"), Value-Added Tax ("VAT") at 6% shall be levied on the difference between the selling and buying prices of those marketable securities starting from 1 May 2016. In addition, if VAT is applicable, local surtaxes including Urban Maintenance and Construction Tax ("UMCT") (currently at the rate ranging from 1% to 7%), Education Surcharge ("ES") (currently at the rate of 3%) and Local Education Surcharge ("LES") (currently at the rate of 2%) are imposed based on the VAT liabilities (the "VAT related taxes"). Pursuant to the newly issued UCMT Law and Public Notice [2021] No.28 jointly issued by the Ministry of Finance ("MOF") and the PRC State Taxation Administration ("STA"), effective from 1 September 2021, no UCMT, ES and LES would be levied on the VAT paid for the service provisions and sale of intangible assets in China by overseas parties to PRC parties. However, in practice, the implementation of the exemption may vary depending on the local practice.

The gains derived by QFIIs/RQFIIs and through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect from trading of marketable securities (including A-shares and other PRC listed securities) are exempted from VAT in the PRC under Circular 36 and other prevailing VAT regulations. In addition, deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT.

**(a) Capital gains on PRC debt securities**

During the period ended 30 April 2024 (date of termination) and year ended 31 December 2022, the Fund invests in PRC debt securities in PRC through the RQFII program. The Manager considers that the enforcement of PRC tax on gains derived from the PRC debt securities is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether the Fund may be liable for PRC taxation on its gains, the amount of potential liability and the probability of such tax being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events.

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**5. Critical accounting estimates and judgements (Continued)**

**(a) Capital gains on PRC debt securities (Continued)**

PRC WIT

The Manager considered that the WIT policy for QFII/RQFII's investment in debt securities has not been clarified in the "Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII" (Caishui [2014] No.79, the "Notice 79").

Based on the current verbal interpretation of the STA and the local PRC tax authorities, the authorities are of the view that capital gains derived by foreign investors from investment in PRC debt securities would not be treated as PRC-sourced income and thus would not be subject to PRC WIT. However, there are no written tax regulations issued by the PRC tax authorities to confirm this interpretation. As a matter of practice, such 10% PRC WIT on capital gains realised by non-PRC tax resident enterprises from the trading of these PRC debt securities has not been strictly enforced by the PRC tax authorities. The Manager has considered the applicability of the arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion to the Fund and assessed that the probability of such tax being levied up to the approval date of the financial statements of the Fund is reasonably low. Based on all the aforementioned factors, the Manager has reassessed the provisioning approach and has continued not making PRC WIT provision on gains derived from the PRC debt securities of the Fund.

PRC VAT

Pursuant to Circular 36, capital gain derived from trading of PRC debt securities by foreign investors through the RQFII program is exempt from VAT with effective from 1 May 2016.

**(b) Interest income on bonds issued by PRC tax residents**

Temporary exemption of PRC WIT and VAT on bond interest income effective from 7 November 2018

On 7 November 2018, the MOF and the STA jointly issued a notice Caishui [2018] No.108 ("Circular 108") which stipulates that foreign institutional investors are temporarily exempted from PRC WIT and VAT in respect of bond interest income received from 7 November 2018 to 6 November 2021. On 22 November 2021, the MOF and the STA officially issued Public Notice [2021] No.34 to extend the CIT and VAT exemption treatment on the bond interest income for the foreign institutional investors investing in the domestic bond market from 7 November 2021 to 31 December 2025.

The Management considered that the enforcement of PRC WIT treatment on accrued interest of PRC non-government bonds held by the Fund derived from 20 February 2012 (date of inception) to 6 November 2018 (prior to WIT exemption under Circular 108) and the enforcement of VAT and the VAT related taxes arising from 1 May 2016 to 6 November 2018 (prior to VAT exemption under Circular 108) was uncertain. The Manager has exercised significant judgment in their assessment of the PRC tax expense and the related tax provision. The Fund had settled the PRC WIT and VAT derived from the interest income received from the PRC debt securities for the period from 1 May 2016 to 6 November 2018 (prior to VAT exemption under Circular 108) in 2020 and the Fund has not made the PRC tax provision on WIT and VAT on the interest income from the PRC debt securities as at 30 April 2024 (date of termination).

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**5. Critical accounting estimates and judgements (Continued)**

**(c) Tax provision policy**

The Manager has exercised its judgment when assessing whether the Fund may be liable for PRC taxation on its gains, interest income, the amount of potential liability and the probability of such tax being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events.

PRC WIT

For the PRC bonds disposed of during the period/year, the Manager has not made WIT provision on capital gain, as well as on the accrued interest income of PRC bonds during the period/year and as at reporting date as they consider that:

- (i) the issuers of PRC bonds are required to withhold 10% WIT at the coupon payment date before distributing the interest income to the bond holder before 6 November 2018;
- (ii) the interest income is exempt from WIT from 7 November 2018 to 31 December 2025; and
- (iii) the Manager has sold the PRC bonds before the coupon payment dates or the maturity dates of the PRC bonds.

PRC VAT

For the PRC bonds disposed of during the period/year, the Manager has not made VAT provision on capital gain, as well as on the accrued interest income of PRC bonds during the year and as at reporting date as they consider that:

- (i) the Fund had settled the PRC VAT derived from the interest income received from the PRC debt securities for the period from 1 May 2016 to 6 November 2018 (prior to VAT exemption under Circular 108) in 2020;
- (ii) the interest income is exempt from VAT from 7 November 2018 to 31 December 2025; and
- (iii) the Manager has sold the PRC bonds before the coupon payment dates or the maturity dates of the PRC bonds.

The PRC tax provision is subject to the tax clearance. If the PRC tax authorities make a tax assessment to the effect that there is any PRC tax liabilities on the Fund, such liabilities will be borne by the Manager.

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**6. Net gains/(losses) on investments**

	Period from 1 January 2023 to 30 April 2024 (date of termination) RMB	2022 RMB
Change in unrealised gains/(losses) on investments	379,701	(934,183)
Realised gains/(losses) on investments	68,138	(393,939)
	<u>447,839</u>	<u>(1,328,122)</u>

**7. Taxation**

Hong Kong Profits Tax

No provision for Hong Kong profits tax has been made for the Fund as it is authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

PRC Withholding Tax

For the period ended 30 April 2024 (date of termination) and year ended 31 December 2022, the Fund had invested in RMB denominated debt securities in the PRC. Withholding tax was charged on interest income received from debt securities and banks during the year. Refer to note 5 for details.

The taxation of the Fund for the period ended 30 April 2024 (date of termination) and year ended 31 December 2022 represents:

	Period from 1 January 2023 to 30 April 2024 (date of RMB	2022 RMB
Withholding tax on interest income from banks	652	1,373
Tax expense	<u>652</u>	<u>1,373</u>



**BOSERA RMB BOND FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**7. Taxation (Continued)**

The movements in provision for taxation during the year are as follows:

	Period from 1 January 2023 to 30 April 2024 (date of termination) RMB	2022 RMB
At the beginning of the period/year	-	-
Taxation charged to the statement of comprehensive income	652	1,373
Net tax paid	(652)	(1,373)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

**8. Transactions with related parties including Trustee, Manager and their Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee, the Manager and their connected persons. Connected persons are those as defined in the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong. All transactions entered into during the period ended 30 April 2024 (date of termination) and year ended 31 December 2022 between the Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Fund does not have any other significant transactions with Connected Persons except for those disclosed below.

**(a) Management fee**

The Manager is entitled to receive a management fee, currently at the rate of 1% per annum of the net asset value of Class A and 0.75% per annum of the net asset value of Class I, accrued at each valuation day and payable monthly in arrears. No management fee is charged on Class DI units.

For the period ended 30 April 2024 (date of termination), the Manager was entitled to a management fee of RMB93,166 (2022: RMB143,040). At 30 April 2024 (date of termination), a management fee of Nil (2022: RMB10,610) was payable to the Manager.

**(b) Trustee fee**

The Trustee is entitled to receive a trustee fee.

The Trustee, is entitled to receive a trustee fee which represents a variable fee of (i) 0.12% per annum on the first RMB670 million of the net asset value of the Fund and (ii) 0.10% per annum thereafter, subject to a minimum of RMB25,000 per month. The trustee fee is charged as a percentage of the net asset value of the Fund as each valuation day. This fee is accrued and payable monthly in arrears.

The Trustee fee is inclusive of fees payable to the Hongkong and Shanghai Banking Corporation Limited, the PRC Custodian.

For the period ended 30 April 2024 (date of termination), the Trustee was entitled to a trustee fee of RMB254,041 (2022: RMB300,000). At 30 April 2024 (date of termination), a trustee fee of RMB31,301 (2022: RMB25,479) was payable to the Trustee.

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**8. Transactions with related parties including Trustee, Manager and their Connected Persons**  
**(Continued)**

**(c) Bank balances and investment balances**

The following bank and investment balances of the Fund were held with the PRC Custodian and its delegate which are related parties of the Trustee. For the period ended 30 April 2024 (date of termination), the interest income derived from bank balances is RMB6,817 (2022: RMB13,864). At 30 April 2024 (date of termination), an interest income of RMB9 (2022: RMB16) was receivable from the PRC Custodian. Refer to note 4(d).

	30 April 2024 (date of termination) RMB	31 December 2022 RMB
Bank balances	288,225	2,543,744
Investment balances	-	19,382,983

**(d) Registrar fees**

For the period ended 30 April 2024 (date of termination), HSBC Institutional Trust Services (Asia) Limited, the Registrar was entitled to registrar fees of RMB40,416 (2022: RMB38,074). At 30 April 2024 (date of termination), a registrar fee of RMB9,337 (2022: RMB2,961) was payable to the Registrar.

**(e) Unitholders**

As at 30 April 2024 (date of termination), the total units of Class DI being Nil (2022: 85,520) were held by a subsidiary of the Manager (the "Subsidiary of the Manager"). During the period ended 30 April 2024 (date of termination), there were 85,520 units of Class DI have been redeemed by the Subsidiary of the Manager (2022: Nil). The total net gains from the investment of the Fund by the Subsidiary of the Manager amounted to RMB192,951 (2022: total net losses RMB713,241).

**(f) Other fees**

Transaction handling fees on purchases and sales of investments, valuation fees, bank charges and fees for the preparation of annual and interim reports were charged by the Trustee, amounting to RMB138,863 (2022: RMB153,098) for the period ended 30 April 2024 (date of termination), of which RMB38,985 (2022: RMB34,723) was outstanding at period/year end.

**(g) Rebate receivable from the Manager**

With effect from 18 April 2017, the ongoing charges in respect of the Fund would be capped at 3% of the average net asset value of the Fund. Any excess of ongoing expenses of the Fund would be borne by the Manager and paid to the Fund as rebates. During the period ended 30 April 2024 (date of termination), rebates to the Fund from the Manager amounted to RMB440,178 (2022: RMB228,697). At 30 April 2024 (date of termination), the total outstanding rebates amounted to RMB142,926 (2022: RMB228,697).

**9. Transaction costs**

Transaction costs are costs incurred to acquire/dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers.

**BOSERA RMB BOND FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**10. Soft commission arrangements**

The Manager confirms that there were no soft dollar arrangements existing during the period ended 30 April 2024 (date of termination) and year ended 31 December 2022 in relation to directing transactions of the Fund through a broker or dealer.

**11. Distributions**

The Fund did not make any distributions during the period ended 30 April 2024 (date of termination) and year ended 31 December 2022.

**12. Approval of financial statements**

The financial statements were approved by the Trustee and the Manager on 30 August 2024.

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**INVESTMENT PORTFOLIO (UNAUDITED)**  
**AS AT 30 APRIL 2024 (DATE OF TERMINATION)**

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As at 30 April 2024 (date of termination), the Fund did not hold any investment

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**AS AT 30 APRIL 2024 (DATE OF TERMINATION)**

	Nominal Value (RMB)			30 April 2024 (date of termination)
	1 January 2023	Additions	Deductions	
<b>QUOTED BONDS</b>				
<b>CHINA</b>				
AGRICUL DEV BANK CHINA SER 1906 (REG) 3.74% 12JUL2029	6,000,000	-	6,000,000	-
BANK OF JIANGSU (REG) STP CONV 14MAR2025	1,000,000	-	1,000,000	-
BETHEL AUTO SAFE (REG) STP CONV 29JUN2027	100,000	-	100,000	-
CHANGJIANG SECURITIES CO LTD (REG) STP CONV 12MAR2024	500,000	-	500,000	-
CHINA (GOVT OF) SER INBK (REG) 3.12% 25OCT2052	-	1,000,000	1,000,000	-
CHINA (GOVT OF) SER SH (REG) 1.67% 25OCT2023	-	900,000	900,000	-
CHINA CITIC BANK CORP (REG) STP CONV 04MAR2025	2,000,000	-	2,000,000	-
CHINA GOVERNMENT BOND SER 2619 3.27% 22AUG2046	800,000	-	800,000	-
CHINA THREE GORGES CORP (REG) 0.5% CONV 09APR2024	1,000,000	-	1,000,000	-
CHONGQING CONSTR ENGINEE (REG) STP 20DEC2025	1,155,000	-	1,155,000	-
GUOTAI JUN STP CONV 07JUL2023	1,500,000	-	1,500,000	-
INDUSTRIAL BANK CO LTD (REG) STP CONV 27DEC2027	500,000	-	500,000	-
SHANGHAI PUDONG DEV BANK (REG) STP CONV 28OCT2025	1,000,000	-	1,000,000	-
SHANYING STP CONV 21NOV2024	1,000,000	-	1,000,000	-
UNIGROUP GUOXIN MICROELE (REG) STP CONV 10JUN2027	320,000	-	320,000	-
WILL SEMICONDUCTOR (REG) STP CONV 28DEC2026	400,000	-	400,000	-
WINGTEC STP CONV 28JUL2027	300,000	-	300,000	-

**BOSERA RMB BOND FUND**  
**(A SUB-FUND OF BOSERA INVESTMENT FUNDS)**

**PERFORMANCE TABLE (UNAUDITED)**  
**FOR THE PERIOD FROM 1 JANUARY 2023 to 30 APRIL 2024 (DATE OF TERMINATION)**

**Net asset value\***

	<b>Total net asset value RMB</b>	<b>Net asset value per unit RMB</b>
At the end of financial period/year		
30 April 2024 (date of termination) - Class A	-	-
30 April 2024 (date of termination) - Class DI	-	-
31 December 2022 - Class A	12,441,900	104.24
31 December 2022 - Class DI	9,527,092	111.40
31 December 2021 - Class A	16,593,341	113.14
31 December 2021 - Class DI	10,237,626	119.71

**Highest and lowest net asset value\* per unit since inception**

	<b>Highest issue price per unit RMB</b>	<b>Lowest redemption price per unit RMB</b>
Financial period/year ended		
30 April 2024 (date of termination) - Class A	Not applicable	Not applicable
30 April 2024 (date of termination) - Class DI	Not applicable	Not applicable
31 December 2022 - Class A	113.74	103.61
31 December 2022 - Class DI	120.47	110.70
31 December 2021 - Class A	113.17	107.00
31 December 2021 - Class DI	119.74	112.20
31 December 2020- Class A	113.46	108.03
31 December 2020 - Class DI	117.84	112.60
31 December 2019 - Class A	110.78	106.60
31 December 2019 - Class DI	114.88	109.92
31 December 2018 - Class A	107.58	103.91
31 December 2018 - Class DI	110.45	105.74
31 December 2017 - Class A	106.42	104.04
31 December 2017 - Class DI	107.53	105.74
31 December 2016 - Class A	110.22	105.60
31 December 2016 - Class DI	110.59	106.25
31 December 2015 - Class A	110.89	104.61
31 December 2015 - Class DI	108.09	100.23
31 December 2014 - Class A	106.37	97.54
31 December 2014 - Class DI	-	-

\* Represents net asset value in accordance with the Fund's Explanatory Memorandum