

**REPORTS AND FINANCIAL STATEMENTS**

**CCBI GLOBAL PREMIUM SELECTION FUND**

**(A SUB-FUND OF GRAND REJUVENATION ASSET ALLOCATION  
FUND SERIES (FORMERLY KNOWN AS CCB INTERNATIONAL  
INVESTMENT FUND SERIES))**

**31st December 2018**

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
**(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**31st December 2018**

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**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**ADMINISTRATION AND MANAGEMENT**

**Manager**

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

**Auditor**

Ernst & Young  
22nd Floor, CITIC  
Tower  
1 Tim Mei Avenue  
Central  
Hong Kong

**Directors of the Manager**

Bai Yue (resigned: 19 Oct 2018)  
Hung Yat  
Li Ngai  
Li Yuezhong (Appointed: 19 Oct 2018 and resigned 31 Jan 2019)  
Lo Chak Bong Alfred Bing  
Yam Wang Lap (Appointed: 19 Oct 2018)

**Trustee**

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

**Custodian**

Industrial and Commercial Bank of China (Asia) Limited  
33/F, ICBC Tower  
3 Garden Road  
Central  
Hong Kong

**Registrar and Transfer Agent**

*Effective from 19th June 2018*

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

*From 1st January 2018 – 18th June 2018*

Brown Brothers Harriman (Luxembourg) S.C.A.  
80 route d' Esch, L1470  
Luxembourg

*Registrar Representative in Hong Kong*

13/F Man Yee Building  
68 Des Voeux Road  
Central,  
Hong Kong

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**REPORT OF THE TRUSTEE**

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

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

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24th April 2019

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE AND THE MANAGER OF  
GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND  
SERIES) (THE "FUND")**

**Report on the Financial Statements**

**Opinion**

We have audited the financial statements of CCBI Global Premium Selection Fund (the "Sub-Fund" of Grand Rejuvenation Asset Allocation Fund Series (formerly known as CCB International Investment Fund Series)) set out on pages 7 to 44, which comprise the statement of net assets as at 31st December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31st December 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Sub-Fund as at 31st December 2018, and of its financial performance and its cash flows for the year ended 31st December 2018, in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

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

**Other information in the Annual Report**

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

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE AND THE MANAGER OF  
GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)  
(THE "FUND")(CONTINUED)**

**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 all material respects, in accordance with HKFRSs 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 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 all material respects, in accordance with the relevant disclosure provisions of the Trust Deed of the Sub-fund dated 28th November 2014 as amended by the supplemental deed dated 24th March 2016 (the "Trust Deed"), 2nd Supplemental Deed dated 17th May 2018 and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds ("the SFC Code") issued by the Hong Kong Securities and Futures Commission.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE AND THE MANAGER OF  
GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)  
(THE "FUND") (CONTINUED)**

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

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

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE AND THE MANAGER OF  
GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)  
(THE "FUND") (CONTINUED)**

**Report on Other Legal and Regulatory Requirements**

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 disclosure requirements specified in Appendix E to the SFC Code.

Certified Public Accountants  
Hong Kong  
24th April 2019



**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
**(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**STATEMENT OF NET ASSETS**

**As at 31st December 2018**

	Notes	<u>CCBI Global</u> <u>Premium Selection Fund</u> 2018 HK\$	2017 HK\$
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	6	92,000,575	121,530,492
Interest and dividend receivable		670,097	473,027
Prepayments		-	5,219
Cash and cash equivalents	7	23,581,832	6,339,172
<b>Total assets</b>		<u>116,252,504</u>	<u>128,347,910</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Management fee payable	4(a)	79,494	85,878
Trustee fee payable	4(b)	72,000	60,000
Organisation costs payable		165,968	543,041
Accrued expenses and other payables		188,544	171,054
<b>Total liabilities</b>		<u>506,006</u>	<u>859,973</u>
<b>EQUITY</b>			
Net assets attributable to unitholders	9	<u>115,746,498</u>	<u>127,487,937</u>

The notes on pages 13 to 44 form an integral part of these financial statements.

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
**(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**STATEMENT OF NET ASSETS (CONTINUED)**

**As at 31st December 2018**

	Note	<u>CCBI Global</u> <u>Premium Selection Fund</u>	
		2018	2017
		HK\$	HK\$
<b>Units in issue</b>			
Class A	9	-	-
Class B	9	1,200,000	1,200,000
<b>Net asset value as at 31st December attributable to</b>			
Class A	9	-	-
Class B	9	115,746,498	127,487,937
		<hr/>	<hr/>
		115,746,498	127,487,937
		<hr/>	<hr/>
<b>Net asset value per unit</b>			
Class A		-	-
Class B		96.46	106.24
		<hr/>	<hr/>

.....  
Trustee  
ICBC (ASIA) TRUSTEE  
COMPANY LIMITED

.....  
Manager  
CCB INTERNATIONAL ASSET  
MANAGEMENT LIMITED

The notes on pages 13 to 44 form an integral part of these financial statements.

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
**(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**Year ended 31st December 2018**

	Notes	<u>CCBI Global Premium Selection Fund</u>	Period from 13th June 2017 (date of commencement of operations) to 31st December 2017 HK\$
		Year ended 31st December 2018 HK\$	
<b>INCOME</b>			
Dividend income		2,660,761	905,457
Interest income on bank deposits		40,649	1,940
Net (losses) / gains on financial assets at fair value through profit or loss	6	(12,537,930)	8,593,006
Net exchange (losses) / gains		(127,370)	189,693
		<hr/>	<hr/>
<b>Total (loss) / income</b>		(9,963,890)	9,690,096
		<hr/>	<hr/>
<b>EXPENSES</b>			
Management fee	4(a)	(1,005,475)	(544,351)
Trustee fee	4(b)	(432,000)	(134,436)
Custodian fee	4(c)	-	(2,542)
Professional fees		(57,545)	(23,977)
Auditor's remuneration		(189,938)	(155,994)
Transaction handling fee		(20,175)	(91,741)
Organisation costs	9	-	(1,154,210)
Registrar and transfer fee		-	(3,500)
Other operating expenses		(72,416)	(34,860)
		<hr/>	<hr/>
<b>Total expenses</b>		(1,777,549)	(2,145,611)
		<hr/>	<hr/>
<b>Net (loss) / income before tax</b>		(11,741,439)	7,544,485
Withholding tax	5	-	(56,548)
		<hr/>	<hr/>
<b>(Loss) / profit and total comprehensive income</b>		(11,741,439)	7,487,937
		<hr/>	<hr/>

The notes on pages 13 to 44 form an integral part of these financial statements.

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**STATEMENT OF CHANGES IN EQUITY**

**Year ended 31st December 2018**

	<u>CCBI Global</u> <u>Premium Selection Fund</u> HK\$
<b>Balance at the beginning of the period from 13th June 2017</b> <b>(date of commencement of operations)</b>	-
Proceeds from issue of units	120,000,000
Profit and total comprehensive income	7,487,937
	<hr/>
<b>Balance at the period ended 31st December 2017</b>	127,487,937
Loss and total comprehensive income	(11,741,439)
	<hr/>
<b>Balance at the year ended 31st December 2018</b>	<u><u>115,746,498</u></u>

The notes on pages 13 to 44 form an integral part of these financial statements.

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
**(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**STATEMENT OF CASH FLOWS**

**Year ended 31st December 2018**

	<u>CCBI Global</u> <u>Premium Selection Fund</u>	Period from 13th June 2017 (date of commencement of operations) to 31st December 2017
Year ended 31st December 2018	HK\$	HK\$
<b>Cash flows from operating activities</b>		
(Loss) / profit and total comprehensive income	(11,741,439)	7,487,937
Adjustments for:		
Interest income on bank deposits	(40,649)	(1,940)
Dividend income	(2,660,761)	(905,457)
Net losses/(gains) on financial assets at fair value through profit or loss	12,537,930	(8,593,006)
Payments on purchase of financial assets through profit or loss	(11,654,395)	(133,560,294)
Proceeds from sales of financial assets through profit or loss	28,646,382	20,622,808
Withholding tax	-	56,548
	<u>15,087,068</u>	<u>(114,893,404)</u>
Working capital adjustments:		
Decrease / (increase) in prepayments	5,219	(5,219)
(Decrease) / increase in organisation costs payable	(377,073)	543,041
(Decrease) / increase in management fees payable	(6,384)	85,878
Increase in trustee fees payable	12,000	60,000
Increase accrued expenses and other payables	17,490	171,054
	<u>14,738,320</u>	<u>(114,038,650)</u>
<b>Net cash from / (used in) operations</b>		
Interest received	35,498	1,940
Dividend received (net of withholding tax)	2,468,842	375,882
	<u>17,242,660</u>	<u>(113,660,828)</u>
<b>Net cash from / (used in) operating activities</b>		

The notes on pages 13 to 44 form an integral part of these financial statements.

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
**(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**STATEMENT OF CASH FLOWS (CONTINUED)**

**Year ended 31st December 2018**

	<u>CCBI Global</u> <u>Premium Selection Fund</u>	
	Year ended 31st December 2018 HK\$	Period from 13th June 2017 (date of commencement of operations) to 31st December 2017 HK\$
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	-	120,000,000
<b>Net cash from financing activities</b>	-	120,000,000
	-----	-----
Net increase in cash and cash equivalents	17,242,660	6,339,172
Cash and cash equivalents at beginning of the year/period	6,339,172	-
<b>Cash and cash equivalents at end of the year/period</b>	<u>23,581,832</u>	<u>6,339,172</u>
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at bank	16,581,832	6,339,172
Fixed deposits with original maturities of three months or less	7,000,000	-
	<u>23,581,832</u>	<u>6,339,172</u>

The notes on pages 13 to 44 form an integral part of these financial statements.

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**1. The Fund and the Sub-Fund**

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

The Fund is an umbrella unit trust. Currently, there is no sub-fund launched during the year ended 31st December 2018 (For the period from 13th June 2017 (date of commencement of operations) to 31st December 2017: 1 sub-fund).

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

<u>Sub-Fund</u>	<u>Date of commencement of operations</u>
CCBI Global Premium Selection Fund	13th June 2017

On 13th June 2017, Grand Rejuvenation Asset Allocation Fund Series (formerly known as CCB International Investment Fund Series) launched CCBI Global Premium Selection Fund which the units are denominated in HKD.

Two classes of units, namely Class A Units and Class B Units, are available for the Sub-Fund. For the year ended 31st December 2018 and the period from 13th June 2017 (date of commencement of operations) to 31st December 2017, only Class B Units were issued.

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

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

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**2. Summary of significant accounting policies**

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

**(a) Basis of preparation**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) (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. The financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest dollar except when otherwise indicated.

The preparation of financial statements in conformity with HKFRS 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-Funds and effective for the financial year beginning on 1st January 2018**

The Sub-Funds have adopted the following revised standard for the first time for the current year's financial statements that is relevant to each of the Sub-Funds:

**HKFRS 9 Financial Instruments**

HKFRS 9 Financial Instruments replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1st January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Sub-Fund has recognized the transition adjustments against the applicable opening balances of equity at 1st January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.



**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
**(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**2. Summary of significant accounting policies (continued)**

**(a) Basis of preparation (continued)**

Standards and amendments to existing standards which are relevant to the Sub-Funds and effective for the financial year beginning on 1st January 2018 (continued)

HKFRS 9 Financial Instruments (continued)

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs").

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1st January 2018 is as follows:

	HKAS 39 measurement		ECLs HK\$	HKFRS 9 measurement	
	Category	Amount HK\$		Amount HK\$	Category
<b><u>Financial assets</u></b>					
Financial assets at fair value through profit or loss	Held for trading at fair value through profit or loss	121,530,492	-	121,530,492	Financial assets at fair value through profit or loss (“FVTPL”)
Interest and dividend receivable	Loans and receivables	473,027	-	473,027	Amortised cost
Cash and cash equivalents	Loans and receivables	6,339,172	-	6,339,172	Amortised cost
<b><u>Financial liabilities</u></b>					
Management fee payable	Other financial liabilities	85,878	-	85,878	Amortised cost
Trustee fee payable	Other financial liabilities	60,000	-	60,000	Amortised cost
Organisation costs payable	Other financial liabilities	543,041	-	543,041	Amortised cost
Accruals and other payables	Other financial liabilities	171,054	-	171,054	Amortised cost

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**2. Summary of significant accounting policies (continued)**

**(a) Basis of preparation (continued)**

Standards and amendments to existing standards which are relevant to the Sub-Funds and effective for the financial year beginning on 1st January 2018 (continued)

HKFRS 9 Financial Instruments (continued)

Impairment

HKFRS 9 requires the Sub-Fund to record ECLs on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. Given the limited exposure of the Sub-Fund to credit risk, this amendment has not had a material impact on the financial statements. The Sub-Fund only holds short-term receivables with no financing component at amortised cost. Therefore, it has adopted an approach similar to the simplified approach to ECLs.

The application of the ECLs model under HKFRS 9 has not significantly changed the carrying amounts of the Sub-Fund's amortised cost financial assets. The carrying amounts of amortised cost instruments continued to approximate these instruments' fair values on the date of transition after transitioning to HKFRS 9.

Hedge accounting

The Sub-Fund has not applied hedge accounting under HKAS 39 nor will it apply hedge accounting under HKFRS 9.

HKFRS 15 Revenue from Contracts with Customers

The Sub-Fund adopted HKFRS 15 Revenue from contracts with customers on its effective date of 1st January 2018. HKIFRS 15 replaces HKAS 18 Revenue and establishes a five-step model to account for revenue arising from contracts with customers. In addition, guidance on interest and dividend income have been moved from HKAS 18 to HKFRS 9 without significant changes to the requirements. Therefore, there was no impact of adopting HKFRS 15 for the Sub-Fund.

New standards, amendments and interpretations which are relevant to the Sub-Fund and effective for the financial year after 1st January 2018 and have not been early adopted

Amendments to HKAS 1 and HKAS 8 Definition of Material

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Sub-Fund expects to adopt the amendments prospectively from 1st January 2020. The amendments are not expected to have any significant impact on the Sub-Fund's financial statements.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have material impact on the Sub-Fund.

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**2. Summary of significant accounting policies (continued)**

**(b) Financial instruments**

In the current period, the Sub-Fund has adopted HKFRS 9 *Financial Instruments*. See section 2(a) for an explanation of the impact. Comparative figures for the period ended 31st December 2017 have not been restated. Therefore, financial instruments in the comparative period are still accounted for in accordance with *HKAS 39 Financial Instruments: Recognition and Measurement*.

**Financial assets**

**(Policies under HKFRS 9 applicable from 1st January 2018)**

**Initial recognition and measurement**

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

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

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

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

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

As at 31st December 2018, all the collective investment schemes are classified, at initial recognition, as financial assets through profit or loss while fixed deposit, interest and dividend receivable and cash and cash equivalents are classified as financial assets at amortised cost.

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**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**2. Summary of significant accounting policies (continued)**

**(b) Financial instruments (continued)**

**Financial assets (continued)**

**(Policies under HKFRS 9 applicable from 1st January 2018) (continued)**

*Subsequent measurement*

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

*Financial assets at amortised cost (debt instruments)*

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

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

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

*Financial assets at fair value through profit or loss*

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

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

**(Policies under HKAS 39 applicable before 1st January 2018)**

*Initial recognition and measurement*

The Sub-Fund's financial assets are classified into one of the two categories, including financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at FVTPL.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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**2. Summary of significant accounting policies (continued)**

**(b) Financial instruments (continued)**

**Financial assets (continued)**

**(Policies under HKAS 39 applicable before 1st January 2018) (continued)**

**Subsequent measurement**

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

***Financial assets at fair value through profit or loss***

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Sub-Fund manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

All investments are classified as financial assets held for trading. Investments are recognised on a trade-date basis and are initially measured at fair value with changes in fair value arising from remeasurement recognised directly in the statement of profit or loss and other comprehensive income in the period in which they arise. The net gain or loss recognised in the statement of profit or loss and other comprehensive income excludes any dividend or interest earned on the financial assets.

The fair value of investments is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables including interest and dividend receivables and bank balances are carried at amortised cost using the effective interest method (see accounting policy on the description for effective interest method at financial liabilities below), less any identified impairment losses (see accounting policy on impairment of financial assets below).

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**2. Summary of significant accounting policies (continued)**

**(b) Financial instruments (continued)**

**(Policies under HKFRS 9 applicable from 1st January 2018 and policies under HKAS 39 applicable before 1st January 2018)**

**Financial liabilities**

**Initial recognition and measurement**

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

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

As at 31st December 2018 and 2017, the Sub-Fund's financial liabilities include relating to management fee payable, trustee fee payable, organization costs payable and accruals and other payables which are measured at amortised cost and the net assets attributable to unitholders being measured at fair value.

**Subsequent measurement**

The Sub-Fund's financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

**Effective interest method (applicable to HKFRS 9 and HKAS 39 for both financial period)**

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

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

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either:

- (a) the Sub-Fund has transferred substantially all the risks and rewards of the asset; or
- (b) the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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**2. Summary of significant accounting policies (continued)**

**(b) Financial instruments (continued)**

**(Policies under HKFRS 9 applicable from 1st January 2018 and policies under HKAS 39 applicable before 1st January 2018) (continued)**

**Derecognition** (continued)

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

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

**(c) Impairment of financial assets**

**Policy effective from 1 January 2018 (HKFRS 9)**

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

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

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

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

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**2. Summary of significant accounting policies (continued)**

**(c) Impairment of financial assets (continued)**

**Policy effective before 1 January 2018 (HKAS 39)**

Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future ECLs that have not yet been incurred) discounted using the asset's original EIR. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as credit loss expense.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Sub-Fund. If a previous write-off is later recovered, the recovery is credited to the credit loss expense.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Further details of the valuation policy of the financial assets at fair value through profit or loss of the Sub-Fund are disclosed in note 8(d).

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

**(e) Offsetting financial instruments**

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



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**NOTES TO THE FINANCIAL STATEMENTS**

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**2. Summary of significant accounting policies (continued)**

**(f) Revenue recognition**

*Revenue from contracts with customers (Policies applicable from 1 January 2018)*

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The investment advisory fee income earned from asset management services is recognised over time because the customers simultaneously receives and consumes the benefits provided by the Sub-Fund.

*Revenue from contracts with customers (Policies applicable before 1 January 2018)*

Revenue is recognised when it is probable that the economic benefits will flow to the Sub-Fund and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of returns and discounts.

Investment advisory fee income is recognised when the relevant service has been rendered.

*Interest income*

Interest income is recognised using the effective interest rate method.

**(g) Expenses**

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

**(h) Foreign currency translation**

**(i) Functional and presentation currency**

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

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

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**31st December 2018**

**2. Summary of significant accounting policies (continued)**

**(h) Foreign currency translation (continued)**

**(ii) Transactions and balances**

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

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

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

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

**(i) Cash and cash equivalents**

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

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**NOTES TO THE FINANCIAL STATEMENTS**

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**2. Summary of significant accounting policies (continued)**

**(j) Redeemable units**

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

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

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

**(l) Accrued expenses and other payables**

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

**(m) Structured entities**

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

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

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

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**31st December 2018**

**2. Summary of significant accounting policies (continued)**

**(n) Related parties**

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

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Sub-Fund;
  - (ii) has significant influence over the Sub-Fund; or
  - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund; or
- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Sub-Fund are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Sub-Fund are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

**3. Critical accounting estimates and judgements**

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

Fair value of investments

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

**Critical judgements**

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

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**4. Fees**

**(a) Management fee**

The Manager is entitled to receive a management fee from the Sub-Fund calculated as a percentage of the net asset value of the relevant class of units of the Sub-Fund. The management fee is deducted from the assets of the relevant Sub-Fund. The rates of management fee for the year ended 31st December 2018 and the period from 13th June 2017 (date of commencement of operations) to 31st December 2017 are as follows:

<u>Sub-Fund</u>	<u>Rate of Management Fee (p.a.)</u>			
	Class A	Class B	Class A	Class B
	Units	Units	Units	Units
	2018	2018	2017	2017
CCBI Global Premium Selection Fund	1.00%	0.80%	1.00%	0.80%

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

**(b) Trustee fee**

The Trustee is entitled to receive a trustee fee calculated as a percentage of the net asset value of the relevant class of units of the Sub-Fund.

For the year ended 31st December 2018 and the period from 13th June 2017 (date of commencement of operations) to 31st December 2017, the trustee fee is calculated at percentage of net asset value of the Sub-Fund at 0.10% per annum for Class A Units and Class B Units in each year and accrued on each dealing day and is paid monthly in arrears.

For the year ended 31st December 2018, HK\$432,000 (2017: HK\$134,436) accrued as Trustee fee, consisting of HK\$333,913 (2017: HK\$134,436) as Trustee fee, HK\$50,087 (2017: HK\$ nil) as Custodian fee and HK\$48,000 (2017: HK\$ nil) as Register and transfer fee charged to the Sub-Fund.

**(c) Custodian fee**

In respect of custodian fee, the custody is entitled to charge the Sub-Fund at 0.015% per annum for Class A Units and Class B Units for the year ended 31st December 2018 and the period from 13th June 2017 (date of commencement of operations) to 31st December 2017.

Actual safekeeping fee is based on the market value of the Sub-Fund at the end of the month.

For the year ended 31st December 2018, HK\$432,000 (2017: HK\$134,436) accrued as Trustee fee, consisting of HK\$333,913 (2017: HK\$134,436) as Trustee fee, HK\$50,087 (2017: HK\$ nil) as Custodian fee and HK\$48,000 (2017: HK\$ nil) as Register and transfer fee charged to the Sub-Fund.

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**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**4. Fees (continued)**

**(d) Servicing fee, switching fee, subscription charge and redemption charge**

For the year ended 31st December 2018 and the period from 13th June 2017 (date of commencement of operations) to 31st December 2017, the Manager does not entitle to receive a servicing fee, switching fee and redemption charges for the Class A Units and Class B Units of the Sub-Fund and the subscription charge for the Manager levies is up to 2% of the subscription amount off the relevant Class A Units and nil subscription charge is imposed on Class B Units.

**(e) Performance fee**

For the year ended 31st December 2018 and the period from 13th June 2017 (date of commencement of operations) to 31st December 2017, the Manager does not entitle to receive a performance fee for the Class A Units and Class B Units of the Sub-Fund.

**5. Taxation**

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

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

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

There is no withholding tax attributable to the Sub-Fund in current year (2017: HK\$56,548).

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**NOTES TO THE FINANCIAL STATEMENTS**

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

	CCBI Global Premium Selection Fund	
	2018 HK\$	2017 HK\$
<b>Financial assets held for trading</b>		
- collective investment schemes	92,000,575	121,530,492
<b>Total financial assets at fair value through profit or loss</b>	<u>92,000,575</u>	<u>121,530,492</u>
		Period from 13th June 2017 (date of commencement of operations) to 31st December 2018 HK\$
<b>(Losses) / gains recognised in relation to financial assets at fair value through profit or loss</b>		
- realized	(3,199,078)	1,106,742
- unrealized	(9,338,852)	7,486,264
<b>Net (losses) / gains</b>	<u>(12,537,930)</u>	<u>8,593,006</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

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**7. Cash and cash equivalents**

	CCBI Global Premium Selection Fund	
	2018	2017
	HK\$	HK\$
Bank balance	16,581,832	6,339,172
Fixed deposit	7,000,000	-
	<u>23,581,832</u>	<u>6,339,172</u>

The cash at bank of the Sub-Fund is being held in an interest bearing account with ICBC (Asia) Trustee Company Limited, an affiliate company of the Trustee.

The fixed deposit of the Sub-Fund is being held in ICBC (Asia) Trustee Company Limited with interest bearing of 1.4% per annum. The original maturities of the fixed deposit is less than three months.

**8. Financial risk management**

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

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

**Sub-Fund**

**Investment objectives**

CCBI Global Premium Selection  
Fund

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



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**NOTES TO THE FINANCIAL STATEMENTS**

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**8. Financial risk management (continued)**

**(a) Market risk**

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

**(i) Price risk**

The Sub-Fund's policy is to manage price risk through diversification of the investment portfolio as well as investing in collective investment scheme with strong fundamentals. The table below summarises the overall market exposures of the Sub-Fund by market and the impact of increases or decreases from the Sub-Fund's financial assets at fair value through profit or loss on the Sub-Fund's net assets attributable to unitholders as at 31st December 2018 and 2017. The analysis is based on the assumption that the underlying investments in the collective investment schemes increased or decreased by a reasonable possible shift, with all other variables held constant. The Manager has used its view of what would be a "reasonable possible shift" in each key market to estimate the change in the sensitivity analysis below. However, this does not represent a prediction of the future movement in the corresponding key markets.

The Sub-Fund's investments in the underlying schemes are authorised by the SFC or in recognised jurisdiction schemes, domiciled in United States of America, Germany and the United Kingdom. The Manager makes investment decisions after extensive due diligence of the underlying fund and its strategy.

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

<b>As at 31st December 2018</b>	<b>NAV of the financial instrument HK\$</b>	<b>Net financial assets at fair value through profit or loss HK\$</b>	<b>% of net assets %</b>	<b>Reasonable possible shift in underlying securities %</b>	<b>Estimated possible change in net asset value HK\$</b>
				<b>+/-</b>	<b>+/-</b>
<b>CCBI Global Premium Selection Fund</b>					
<b>- Collective investment scheme</b>					
Germany	5,511,037	5,511,037	4.76	1	55,110
Hong Kong	36,454,766	36,454,766	31.50	1	364,548
Ireland	19,084,295	19,084,295	16.49	1	190,843
Luxembourg	16,752,977	16,752,977	14.47	1	167,530
United States of America	14,197,500	14,197,500	12.27	1	141,975

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**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**8. Financial risk management (continued)**

**(a) Market risk (continued)**

**(i) Price risk (continued)**

<b>As at 31st December 2017</b>	<b>NAV of the financial instrument HK\$</b>	<b>Net financial assets at fair value through profit or loss HK\$</b>	<b>% of net assets %</b>	<b>Reasonable possible shift in underlying securities % +/-</b>	<b>Estimated possible change in net asset value HK\$ +/-</b>
<b>CCBI Global Premium Selection Fund</b>					
- Collective investment scheme					
Germany	14,883,004	14,883,004	11.67	1	148,830
Hong Kong	46,616,801	46,616,801	36.56	1	466,168
Ireland	21,983,293	21,983,293	17.24	1	219,833
Luxembourg	17,332,283	17,332,283	13.60	1	173,323
United Kingdom	6,307,611	6,307,611	4.95	1	63,076
United States of America	14,407,500	14,407,500	11.30	1	144,075

**(ii) Cash flow and fair value interest rate risk**

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

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

The Sub-Fund holds floating rate cash and cash equivalents that expose the Sub-Fund to cash flow interest rate risk. As the cash and cash equivalents without fixed maturity dates, the Manager considers the movement in interest rates will have insignificant cash flow impact on the net asset value as at 31st December 2018 and 2017, and therefore no sensitivity analysis is presented.

**(iii) Foreign exchange risk**

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

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

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
**(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**8. Financial risk management (continued)**

**(a) Market risk (continued)**

**(iii) Foreign exchange risk (continued)**

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

**CCBI Global Premium Selection Fund**  
**As at 31st December 2018**  
(Presented in HK\$)

	GBP	EUR	USD	HKD	Total
<b>Monetary assets</b>					
Financial assets at fair value through profit or loss	19,084,295	5,511,037	42,967,743	24,437,500	92,000,575
Interest and dividend receivable	-	-	665,264	4,833	670,097
Cash and cash equivalents	34	122,611	15,584,979	7,874,208	23,581,832
<b>Total monetary assets</b>	<u>19,084,329</u>	<u>5,633,648</u>	<u>59,217,986</u>	<u>32,316,541</u>	<u>116,252,504</u>
<b>Total monetary liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(506,006)</u>	<u>(506,006)</u>
Net monetary assets	<u>19,084,329</u>	<u>5,633,648</u>	<u>59,217,986</u>	<u>31,810,535</u>	<u>115,746,498</u>
 % change in currency	<u>10%</u>	<u>10%</u>			
 Impact on net assets	<u>1,908,433</u>	<u>563,365</u>			

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
**(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**8. Financial risk management (continued)**

**(a) Market risk (continued)**

**(iii) Foreign exchange risk (continued)**

**CCBI Global Premium Selection Fund**  
**As at 31st December 2017**  
(Presented in HK\$)

	GBP	EUR	USD	HKD	Total
<b>Monetary assets</b>					
Financial assets at fair value through profit or loss	28,290,904	6,247,316	63,949,084	23,043,188	121,530,492
Interest and dividend receivable	47,569	-	390,869	34,589	473,027
Cash and cash equivalents	-	222,751	5	6,116,416	6,339,172
<b>Total monetary assets</b>	<u>28,338,473</u>	<u>6,470,067</u>	<u>64,339,958</u>	<u>29,194,193</u>	<u>128,342,691</u>
<b>Total monetary liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(859,973)</u>	<u>(859,973)</u>
Net monetary assets	<u>28,338,473</u>	<u>6,470,067</u>	<u>64,339,958</u>	<u>28,334,220</u>	<u>127,482,718</u>
 % change in currency	 <u>10%</u>	 <u>10%</u>			
 Impact on net assets	 <u>2,833,847</u>	 <u>647,007</u>			

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**8. Financial risk management (continued)**

**(a) Market risk (continued)**

**(iii) Foreign exchange risk (continued)**

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

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

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.

**(b) Liquidity risk**

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

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

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

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

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
**(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**8. Financial risk management (continued)**

**(b) Liquidity risk (continued)**

**CCBI Global Premium Selection Fund**

<b>As at 31st December 2018</b>	<b>Less than 7 days HK\$</b>	<b>7 days to 1 month HK\$</b>	<b>1-12 months HK\$</b>	<b>Total HK\$</b>
Management fee payable	-	79,494	-	79,494
Trustee fee payable	-	72,000	-	72,000
Organisation costs payable	-	-	165,968	165,968
Accrued expenses and other payables	-	-	188,544	188,544
	<hr/>	<hr/>	<hr/>	<hr/>
Contractual cash out flows (excluding derivatives)	-	151,494	354,512	506,006
	<hr/>	<hr/>	<hr/>	<hr/>
<b>As at 31st December 2017</b>	<b>Less than 7 days HK\$</b>	<b>7 days to 1 month HK\$</b>	<b>1-12 months HK\$</b>	<b>Total HK\$</b>
Management fee payable	-	85,878	-	85,878
Trustee fee payable	-	60,000	-	60,000
Organisation costs payable	-	-	543,041	543,041
Accrued expenses and other payables	-	-	171,054	171,054
	<hr/>	<hr/>	<hr/>	<hr/>
Contractual cash out flows (excluding derivatives)	-	145,878	714,095	859,973
	<hr/>	<hr/>	<hr/>	<hr/>

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

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**8. Financial risk management (continued)**

**(b) Liquidity risk (continued)**

The following table illustrates the expected liquidity of assets held:

**CCBI Global Premium Selection Fund**

<b>As at 31st December 2018</b>	<b>Less than 7 days HK\$</b>	<b>7 days to 1 month HK\$</b>	<b>1-12 months HK\$</b>	<b>1-3 years HK\$</b>	<b>Total HK\$</b>
Total assets	108,582,407	7,670,097	-	-	116,252,504
<b>As at 31st December 2017</b>	<b>Less than 7 days HK\$</b>	<b>7 days to 1 month HK\$</b>	<b>1-12 months HK\$</b>	<b>1-3 years HK\$</b>	<b>Total HK\$</b>
Total assets	127,869,664	473,027	-	-	128,342,691

**(c) Credit and counterparty risk**

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

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

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

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

The Sub-Fund's financial assets subject to the expected credit loss model within HKFRS 9 are fixed deposit, interest and dividend receivable and cash and cash equivalents.

As only fixed deposit, interest and dividend receivable and cash and cash equivalents which are all relatively short-term receivables with no financing component are impacted by the HKFRS 9 ECL model, the Sub-Fund has adopted the simplified approach. The loss allowance shown, if any, is therefore based on lifetime ECLs.

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**8. Financial risk management (continued)**

**(c) Credit and counterparty risk (continued)**

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

In calculating the loss allowance, a provision matrix has been used based on historical observed loss rates over the expected life of the receivables adjusted for forward-looking estimates. At 31st December 2018 and 2017, no loss allowance had been provided. No assets are considered impaired and no amounts have been written off in the period.

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

The Sub-Fund is exposed to credit risk on debt securities. These classes of financial assets are not subject to HKFRS 9's impairment requirements as they are measured at FVTPL. The carrying value of these assets, under both HKAS 39 (2017) and HKFRS 9 (2018) represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to the HKFRS 9 impairment requirements on the respective reporting dates.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits and assets held with the custodians. The table below summarises the credit rating of banks and custodians with which the Sub-Fund's assets are held as at 31st December 2018 and 2017.

**CCBI Global Premium Selection Fund**

**As at 31st December 2018**

	<b>HK\$</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
<u>Bank</u>			
Industrial and Commercial Bank of China (Asia) Limited	23,581,832	A1	Moody's
<u>Custodian</u>			
Industrial and Commercial Bank of China (Asia) Limited	92,000,575	A1	Moody's

**As at 31st December 2017**

	<b>HK\$</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
<u>Bank</u>			
Industrial and Commercial Bank of China (Asia) Limited	6,339,172	A1	Moody's
<u>Custodian</u>			
Industrial and Commercial Bank of China (Asia) Limited	121,530,492	A1	Moody's

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



**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**8. Financial risk management (continued)**

**(d) Fair value estimation**

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

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

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

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

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

The fair value hierarchy has the following levels:

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

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

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**8. Financial risk management (continued)**

**(d) Fair value estimation (continued)**

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

The following table analyses within the fair value hierarchy the Sub-Fund’s assets (by class) measured at fair value at 31st December 2018 and 2017:

**CCBI Global Premium Selection Fund**

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>As at 31st December 2018</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Collective investment schemes	49,032,832	42,967,743	-	92,000,575
<b>Total financial assets</b>	<u>49,032,832</u>	<u>42,967,743</u>	<u>-</u>	<u>92,000,575</u>
<b>As at 31st December 2017</b>				
<b>Assets</b>				
Held for trading at fair value through profit or loss:				
- Collective investment schemes	48,945,719	72,584,773	-	121,530,492
<b>Total financial assets</b>	<u>48,945,719</u>	<u>72,584,773</u>	<u>-</u>	<u>121,530,492</u>

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

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**8. Financial risk management (continued)**

**(d) Fair value estimation (continued)**

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

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. As at 31st December 2018 and 2017, the Sub-Fund does not hold any investments classified in Level 3.

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

**(e) Capital risk management**

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

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

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

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

The Trustee and the Manager monitor capital on the basis of the value of net assets attributable to unitholders.

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**9. Net assets attributable to unitholders and number of units in issue**

The following is the subscription of units of the relevant classes in the respective Sub-Fund:

	<u>CCBI Global Premium Selection Fund</u>			
	2018 Class A	2018 Class B	2017 Class A	2017 Class B
Units outstanding at the beginning of the year/period	-	1,200,000	-	-
Units issued	-	-	-	1,200,000
	<hr/>	<hr/>	<hr/>	<hr/>
Units outstanding at the end of the year/period	-	1,200,000	-	1,200,000
	<hr/>	<hr/>	<hr/>	<hr/>

The published net asset value per unit issued is calculated in accordance with the explanatory memorandum and Trust Deed while the net asset value per unit as reported in the statement of financial position included the following adjustments:

- a) Adjustment for recognition of all organisation cost incurred by the Sub-Fund in the statement of profit or loss and other comprehensive income and reclassification to statement of profit or loss and other comprehensive income and off-set deferred organisation expense
- b) Adjustment for year-end expenses including interest incomes, audit fees, management fees, trustee fees and prepaid expenses

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

	2018 HK\$	2017 HK\$
Published net assets attributable to unitholders	116,542,505	128,523,604
a) Adjustment on organisation costs	(796,007)	(1,028,046)
b) Adjustment on year-end expenses	-	(7,621)
	<hr/>	<hr/>
Net assets attributable to unitholders as per audited financial statements financial statements	115,746,498	127,487,937
	<hr/>	<hr/>

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**10. Transactions with the Manager and its connected persons**

Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund do not have any other transactions with connected persons except for what is disclosed in Note 4 to the financial statements and below.

**(a) Bank balances with a connected person of the Manager**

Bank balances, including the fixed deposit, maintained with the connected person of the Manager as at 31st December 2018 and 2017 were as follows:

	2018 HK\$	2017 HK\$
CCBI Global Premium Selection Fund	23,581,832	6,339,172

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

Interest income earned from bank balances maintained with a connected person of the Manager and the Trustee for the year ended 31st December 2018 and for the period ended 31st December 2017 were as follows:

	Year ended 31st December 2018 HK\$	Period from 13th June 2017 (date of commencement of operations) to 31st December 2017 HK\$
CCBI Global Premium Selection Fund	40,649	1,940

**(c) Holdings in the Sub-Fund**

The Sub-Fund allows the Manager, its connected persons and other funds managed by the Manager to subscribe for, and redeem, units in the Sub-Fund. As at 31st December 2018, 1,200,000 of Class B Units (31st December 2017: 1,200,000 of Class B Units) were held by its connected persons.

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

In addition to the management fee earned by the Manager as disclosed in Note 4(a), the Manager and its connected persons do not entitle to any initial charges from unitholders of CCBI Global Premium Selection Fund for the year ended 31st December 2018 and for the period ended 31st December 2017 since it is waived in accordance with the explanatory memorandum the Sub-Fund.

**GRAND REJUVENATION ASSET ALLOCATION FUND SERIES  
(FORMERLY KNOWN AS CCB INTERNATIONAL INVESTMENT FUND SERIES)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31st December 2018**

**11. Soft commission arrangements**

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

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

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

**12. Distributions to unitholders**

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

**13. Subsequent events**

There is no subsequent event from the year ended 31st December 2018 to the date of issuance of the financial statement.

**14. Approval of financial statements**

The financial statements were approved by the Trustee and the Manager on 24th April 2019.

**CCBI GLOBAL PREMIUM SELECTION FUND**

**INVESTMENT PORTFOLIO – CCBI GLOBAL PREMIUM SELECTION FUND (UNAUDITED)**

**AS AT 31ST DECEMBER 2018**

**Denominated in HKD**

	Holding	Fair value HK\$	% of net assets
<b>Listed/Quoted Investments</b>			
<b>Collective Investment Schemes</b>			
<b>Germany</b>			
Comstage Alphaplust Ucits ETF	6,355	5,511,037	4.76
<b>Hong Kong</b>			
Haitong Asian High Yield Bond Fund – Class I (USD)	26,457	19,486,956	16.84
Hang Seng CEI ETF	100,000	10,240,000	8.85
JPMorgan Vietnam Opportunities (acc)-USD	54,183	6,727,810	5.81
<b>Ireland</b>			
iShares European Property Yield	56,334	19,084,295	16.49
<b>Luxembourg</b>			
Fundsmith Equity Fund Feeder I ACC USD	104,457	16,752,977	14.47
<b>United States</b>			
SPDR Gold Trust	15,000	14,197,500	12.27
<b>TOTAL INVESTMENTS PORTFOLIO</b>		92,000,575	79.49
<b>OTHER NET ASSETS</b>		23,745,923	20.51
<b>NET ASSETS AS AT 31ST DECEMBER 2018</b>		115,746,498	100.00
<b>TOTAL INVESTMENT, AT COST</b>		93,667,635	

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

**CCBI GLOBAL PREMIUM SELECTION FUND**

**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**

**FOR THE YEAR ENDED 31ST DECEMBER 2018**

	At 1st January 2018	Additions	Disposal	At 31st December 2018
<b>Listed/Quoted Investments</b>				
<b>Collective Investment Schemes</b>				
<b>Germany</b>				
Comstage Alphaplust Uclts ETF	6,355	-	-	6,355
Comstage 1 Divdax Uclts ETF	50,858	-	(50,858)	-
<b>Hong Kong</b>				
E Fund Greater China Leaders Fund Class I (accumulating) Units	10,001	-	(10,001)	-
Haitong Asian High Yield Bond Fund Class I *(USD)	25,000	1,457	-	26,457
Hang Seng CEI ETF	-	100,000	-	100,000
JPMorgan Vietnam Opportunities (acc) - USD	108,183	-	(54,000)	54,183
<b>Ireland</b>				
iShares European Property Yield	56,334	-	-	56,334
<b>Luxembourg</b>				
Fundsmith Equity Fund Feeder I ACC USD	104,457	-	-	104,457
<b>United Kingdom</b>				
Blackrock World Mining Trust	150,000	1,145	(151,145)	-
<b>United States</b>				
SPDR GOLD TRUST	15,000	-	-	15,000



**CCBI GLOBAL PREMIUM SELECTION FUND**

**PERFORMANCE TABLE (UNAUDITED)**

**NET ASSET VALUES**

Sub-Fund	Financial year/period ended	Net asset value of the Sub-Fund		Net asset value per Unit	
		Class A HK\$	Class B HK\$	Class A HK\$	Class B HK\$
CCBI Global Premium Selection Fund	31.12.2018	-	115,746,498	-	96.46
	31.12.2017 <sup>1</sup>	-	127,487,937	-	106.24

<sup>1</sup> Year of inception

# CCBI Global Premium Selection Fund

## PERFORMANCE RECORD (UNAUDITED)

Sub-Fund	Financial year/period ended	Highest price per unit		Lowest price per unit	
		Class A HK\$	Class B HK\$	Class A HK\$	Class B HK\$
CCBI Global Premium Selection Fund	31.12.2018	-	112.66	-	96.04
	31.12.2017 <sup>1</sup>	-	107.10	-	99.55

<sup>1</sup> Year of inception