

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of PING AN OF CHINA SELECT INVESTMENT
FUND SERIES, an open-ended unit trust established as an
umbrella fund under the laws of Hong Kong)

Annual Report and Financial Statements
For the year ended 30 June 2021

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

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IMPORTANT:

The report is available in English only.

For more information about the fund, please refer to the explanatory memorandum of the fund which is available at our website: <http://asset.pingan.com.hk>.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

MANAGEMENT AND ADMINISTRATION

MANAGER

Ping An of China Asset Management (Hong Kong)
Company Limited
Suites 2301, 23/F
Two International Finance Centre
8 Finance Street, Central
Hong Kong

DIRECTORS OF THE MANAGER

Tung Hoi
Chai Chi Kit
Zhang Yan

SOLICITORS TO THE MANAGER

Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

TRUSTEE AND REGISTRAR

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

AUDITOR

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

CUSTODIAN

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

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

Report of the manager to the unitholders

Introduction

Ping An of China SIF – RMB Bond Fund (“the Sub-Fund”) is a sub-fund of the Ping An of China Select Investment Fund Series, an open-ended unit trust established as an umbrella fund pursuant to the trust deed dated 11 April 2011, as amended (the “Trust Deed”) between Ping An of China Asset Management (Hong Kong) Company Limited and BOCI – Prudential Trustee Limited and governed by the laws of Hong Kong. The Sub-Fund aims to provide total returns comprised of interest income and capital growth and invests in both onshore and offshore RMB denominated debt securities issued or distributed by the government, quasi-government organizations, financial institutions, and multinational organizations. The Sub-Fund has been authorized by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104 of the SFO.

Bond market review and comment

Market was heavily impacted by 2 major event risks during the period in this fiscal year, the divergence and then convergence resulted from the COVID19 global pandemic as well as the intensification of China’s tightening of real estate and technology sectors. The Chinese economy was the first to emerge from lockdown and resume economic growth. However, the stringent tightening of real estate and technology companies coupled with cautiously neutral stance of monetary policy caused periodic risk off particularly in the second half of this fiscal year.

Financial condition has been deliberately maintained at cautiously neutral stance by People’s Bank of China (“PBOC”) in order not to encourage another credit bubble. Having said that, overall liquidity in the banking system has been maintained at sufficient level via various central bank tools so as to not to create a liquidity crunch either.

RMB bonds experienced continuous rising yields during the second half of 2020 due to the PBOC’s quick policy shift to neutral stance after the COVID19 pandemic became well under control domestically and economic growth got back on track, followed by a subsequent stable and slightly bullish trend during the first half of 2021 due to weaker financial and economic sentiment as policymakers started carrying out certain self-imposed policy tightening in certain sectors, especially real estate and technology.

CNY appreciated by about 8.7%* against USD in this fiscal year, which not only recouped the losses in the last fiscal year, but also performed much better as compared to most other major currencies.

Notes:

*Source: Bloomberg, 1 Jul 20 – 30 Jun 21

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

Report of the manager to the unitholders (continued)

Investment strategy

China has emerged from the COVID19 pandemic to resume its economic growth ahead of all other major countries during 2H20 and 1H21. Thanks to successful re-opening of domestic economy as well as strong global demand of Chinese medical and consumer exports, China has been able to maintain healthy GDP growth while keeping relatively stable monetary and fiscal policies. China's policymakers have also guided both local rates and domestic currency within a stable range, and used this time window to tackle certain secular national development imbalances deemed urgent by government.

Though growth differential is expected to narrow between China and developed markets as global recovery from the COVID19 pandemic is on track, structural support to the demand of RMB currency and RMB bonds is still strong. In the medium term, RMB bonds as an asset class has consistently provided better relative value opportunities due to higher domestic rates curve, positive diversification benefits due to low correlation and low volatility. Global fund inflows into RMB bonds YTD are expected to continue to be supported by increasing asset allocation and portfolio shift despite certain headwind resulted from policy uncertainty.

Rebound in RMB rates yield in this fiscal year was mainly driven by the cautiously neutral monetary policy stance carried out consistently by PBOC. We expect RMB yield curves to continue maintain stable and range-bound in the coming quarterly.

Pockets of risk and higher uncertainties in areas such as real estate, anti-trust and geopolitics are hinging on further clarification of top-town governmental policy directions, which have yet to be cleared enough for going down the credit curve for yield enhancement. Hence, we expect to maintain our current duration and credit rating positioning in the coming quarters.

We plan to continue look for both suitable onshore and offshore exposures, particularly focusing on sectors which have demonstrated resilience in recent cycles such as banks and infrastructure, or fast recovery of business such as consumers, or systemic importance with policy support such as technology and clean energy. We see recent risk-off sentiment and idiosyncratic credit events as opportunistic timing for value searching and will look to add to credits with healthy growth and leverage conditions.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

Report of the manager to the unitholders (continued)

Performance of the Sub-Fund

As at 30 June 2021 (the “last valuation on date”), total size of the Sub-Fund was approximately RMB 145.17million. Net Asset Value (“NAV”) of our two currency classes are set forth below:

The NAV of Class A RMB per unit was RMB 104.93 on 30 June 2021. The total number of units issued was 1,351,649.62.

| Total return performance (As at 30 June 2021) | 1-month | 3-month | 6-month | 12-month | Since Inception 28 April 2011 |
|--|---------|---------|---------|----------|----------------------------------|
| Ping An of China SIF – RMB Bond Fund - Class A RMB | 0.17% | 0.78% | 1.53% | 2.80% | 49.17% |

The NAV of Class A HKD per unit was HKD 102.14 on 30 June 2021. The total number of units issued was 3,564.03.

| Total return performance (As at 30 June 2021) | 1-month | 3-month | 6-month | 12-month | Since Inception 28 April 2011 |
|--|---------|---------|---------|----------|----------------------------------|
| Ping An of China SIF – RMB Bond Fund - Class A HKD | -1.17% | 2.26% | 2.51% | - | 2.63% |

The NAV of Class A USD per unit was USD 9.82 on 30 June 2021. The total number of units issued was 47,689.21.

| Total return performance (As at 30 June 2021) | 1-month | 3-month | 6-month | 12-month | Since Inception 1 March 2013 |
|--|---------|---------|---------|----------|---------------------------------|
| Ping An of China SIF – RMB Bond Fund - Class A USD | -1.19% | 2.37% | 2.37% | 12.64% | 35.78% |

Notes:

1. Past performance figures shown are not indicative of the future performance of the Sub-Fund.
2. Returns are calculated on a NAV-to-NAV basis, with dividend reinvested.
3. SFC authorization is not a recommendation or endorsement of the Sub-Fund nor does it guarantee the commercial merits of the Sub-Fund or its performance. It does not mean the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Ping An of China Asset Management (Hong Kong) Company Limited
 20 October 2021

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

Report of the trustee to the unitholders

We hereby confirm that, in our opinion, the Manager, Ping An of China Asset Management (Hong Kong) Company Limited, has, in all material respects, managed Ping An of China SIF – RMB Bond Fund (a sub-fund of Ping An of China Select Investment Fund Series) for the year ended 30 June 2021 in accordance with the provisions of the Trust Deed dated 11 April 2011, as amended by supplemental deeds dated 11 April 2011, 4 February 2014, 7 March 2014, 25 April 2014, 21 July 2016, 31 December 2019, 24 April 2020 and 25 February 2021 (together the “Trust Deed”).

On behalf of
BOCI-Prudential Trustee Limited, the Trustee

20 October 2021

Independent Auditor's Report
To the Unitholders of Ping An of China SIF – RMB Bond Fund
(a sub-fund of Ping An of China Select Investment Fund Series,
an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Ping An of China SIF – RMB Bond Fund (the “Sub-Fund”), a sub-fund of Ping An of China Select Investment Fund Series, set out on pages 9 to 32, which comprise:

- the statement of financial position as at 30 June 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 30 June 2021, and of its financial transactions and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Other information

The Trustee and the Manager (the “Management”) of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor’s report thereon.

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

Independent Auditor's Report (Continued)
To the Unitholders of Ping An of China SIF – RMB Bond Fund
(a sub-fund of Ping An of China Select Investment Fund Series,
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Other information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

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

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

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 11 April 2011, as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

Auditor's responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report (Continued)
To the Unitholders of Ping An of China SIF – RMB Bond Fund
(a sub-fund of Ping An of China Select Investment Fund Series,
an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

Auditor's responsibilities for the Audit of the Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 October 2021

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

| | Notes | 2021 | 2020 |
|--|-------|--------------------|--------------------|
| | | RMB | RMB |
| ASSETS | | | |
| Financial assets at fair value through profit or loss | 7 | 138,438,396 | 145,271,450 |
| Interest receivable on financial assets at fair value through profit or loss and bank deposits | | 2,548,038 | 2,341,192 |
| Subscription proceeds receivables | | 619,615 | - |
| Cash and cash equivalents | 8 | 10,624,140 | 10,448,088 |
| TOTAL ASSETS | | 152,230,189 | 158,060,730 |
| LIABILITIES | | | |
| Amounts due to brokers | | 5,000,000 | 7,000,000 |
| Redemption proceeds payable | | 20,920 | - |
| Management fee payable | 4 | 120,071 | 131,709 |
| Trustee fee payable | 4 | 40,000 | 42,581 |
| Distribution payable to unitholders | | 1,671,591 | 1,678,359 |
| Accrued expenses and other payables | | 209,258 | 192,148 |
| TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS) | | 7,061,840 | 9,044,797 |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | 9 | 145,168,349 | 149,015,933 |

Approved and authorised for issue by the Trustee and the Manager on 20 October 2021.

.....
For and on behalf of Ping An of China Asset Management (Hong Kong) Company Limited, as the Manager

.....
For and on behalf of BOCI-Prudential Trustee Limited, as the Trustee

The notes on pages 13 to 32 are an integral part of these financial statements.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

| | Notes | 2021 | 2020 |
|--|-------|--------------------|--------------------|
| | | RMB | RMB |
| INCOME | | | |
| Interest income on financial assets at fair value through profit or loss | | 6,617,368 | 7,630,621 |
| Interest income on bank deposits | 11 | 5,543 | 12,863 |
| Net losses on financial assets at fair value through profit or loss | 7 | (79,459) | (907,361) |
| Net loss on foreign exchange | | (16,290) | (13,949) |
| TOTAL INCOME | | <u>6,527,162</u> | <u>6,722,174</u> |
| EXPENSES | | | |
| Management fee | 4 | (1,484,878) | (1,614,712) |
| Trustee fee | 4 | (480,000) | (482,667) |
| Legal and professional fee | | (113,083) | (401,271) |
| License fee | | (10,423) | (10,704) |
| Custodian fee | 4 | (53,736) | (57,256) |
| Audit fee | | (160,511) | (128,106) |
| Printing and publishing expenses | | (4,962) | (75,003) |
| Investment handing fee | 11 | (5,650) | (6,750) |
| Other operating expenses | | (28,618) | (8,794) |
| TOTAL EXPENSES | | <u>(2,341,861)</u> | <u>(2,785,263)</u> |
| NET INCOME BEFORE FINANCE COSTS | | 4,185,301 | 3,936,911 |
| FINANCE COSTS | | | |
| Distributions to unitholders | 6 | (4,041,914) | (4,100,652) |
| INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u>143,387</u> | <u>(163,741)</u> |

The notes on pages 13 to 32 are an integral part of these financial statements.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 30 June 2021

| | 2021 | 2020 |
|---|--------------------|--------------------|
| | RMB | RMB |
| BALANCE AT THE BEGINNING OF THE YEAR | 149,015,933 | 172,270,950 |
| Proceeds on issue of units | 45,952,965 | 4,284,751 |
| Payment on redemption of units | (49,943,936) | (27,376,027) |
| Net decrease from unit transactions | (3,990,971) | (23,091,276) |
| Increase/(decrease) in net assets attributable to unitholders | 143,387 | (163,741) |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE YEAR END | 145,168,349 | 149,015,933 |

| | Number of Units Class A USD | Number of Units Class A RMB | Number of Units Class A HKD | Number of Units Class A ACC HKD | Number of Units Class A ACC USD |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--|--|
| Units in issue at 1 July 2019 | 95,900 | 1,582,653 | - | - | - |
| Issue of units | 445 | 40,355 | - | - | - |
| Redemption of units | (45,210) | (231,344) | - | - | - |
| Units in issue at 30 June 2020 & 1 July 2020 | 51,135 | 1,391,664 | - | - | - |
| Issue of units | 28,590 | 414,445 | 5,924 | 23 | 1 |
| Redemption of units | (32,036) | (454,459) | (2,360) | - | - |
| Units in issue at 30 June 2021 | 47,689 | 1,351,650 | 3,564 | 23 | 1 |

The notes on pages 13 to 32 are an integral part of these financial statements.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

| | Notes | 2021 | 2020 |
|---|-------|---------------|---------------|
| | | RMB | RMB |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Increase/(decrease) in net assets attributable to unitholders | | 143,387 | (163,741) |
| Adjustments for: | | | |
| Interest income on financial assets at fair value through profit or loss | | (6,617,368) | (7,630,621) |
| Interest income on bank deposits | | (5,543) | (12,863) |
| Distribution to unitholders | | 4,041,914 | 4,100,652 |
| Net losses on financial assets at fair value through profit or loss | 7 | 79,459 | 907,361 |
| Purchases of financial assets at fair value through profit or loss | | (117,727,760) | (142,133,155) |
| Proceeds from sales of financial assets at fair value loss through profit or loss | | 124,481,355 | 164,953,229 |
| (Decrease)/increase in amounts due to brokers | | (2,000,000) | 7,000,000 |
| Decrease in management fee payable | | (11,638) | (3,971) |
| (Decrease)/increase in trustee fee payable | | (2,581) | 5,248 |
| Increase/(decrease) in accrued expenses and other payables | | 17,110 | (144,587) |
| | | <hr/> | <hr/> |
| Cash generated from operations | | 2,398,335 | 26,877,552 |
| Interest received | | 6,416,065 | 8,572,282 |
| | | <hr/> | <hr/> |
| Net cash flows from operating activities | | 8,814,400 | 35,449,834 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of units | | 45,333,350 | 4,284,751 |
| Payments for redemption of units | | (49,923,016) | (27,376,027) |
| Distribution to unitholders | | (4,048,682) | (7,702,570) |
| | | <hr/> | <hr/> |
| Net cash flows used in financing activities | | (8,638,348) | (30,793,846) |
| | | <hr/> | <hr/> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 176,052 | 4,655,988 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 10,448,088 | 5,792,100 |
| | | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 8 | 10,624,140 | 10,448,088 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 13 to 32 are an integral part of these financial statements.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

1. General Information

Ping An of China Select Investment Fund Series (the “Trust”) was constituted as an open-ended unit trust established as an umbrella fund under the laws of Hong Kong pursuant to a trust deed dated 11 April 2011, as amended (the “Trust Deed”) between Ping An of China Asset Management (Hong Kong) Company Limited (the “Manager”) and BOCI-Prudential Trustee Limited (the “Trustee”) (collectively referred to as the “Management”).

Ping An of China SIF - RMB Bond Fund (the “Sub-Fund”) was constituted as a separate sub-fund of the Trust on 11 April 2011. The initial RMB Share Class of the Sub-Fund was launched on 28 April 2011, with USD Share Class and HKD Share Class subsequently launched on 1 March 2013, the USD Share Class (Accumulation) and the HKD Share Class (Accumulation) were launched on 2 March 2021 respectively. 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 established by the SFC (the “SFC Code”). Authorisation by the SFC does not imply official approval or recommendation. The Sub-Fund was launched and incepted on 28 April 2011.

The investment objective of the Sub-Fund is to achieve long-term capital growth in RMB terms through investment in a portfolio consisting mainly of RMB denominated fixed rate debt instruments which will generate a steady flow of income for the Sub-Fund.

2. Summary of significant accounting policies

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

2.1 Basis of Preparation

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standard Board (“IASB”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest RMB except where otherwise indicated.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Trustee and Manager (together the “Management”) to exercise their judgment in the process of applying the Sub-Fund’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

2. Summary of significant accounting policies (Continued)

2.1 Basis of Preparation (Continued)

(a) Standards and amendments to existing standards effective for annual periods beginning on 1 July 2020

The following amendments to standards have been adopted by the Company for the first time for the financial period beginning on 1 July 2020:

- Definition of Material - amendments to HKAS 1 and HKAS 8
- Revised Conceptual Framework for Financial Reporting

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

(b) New standards, amendments and interpretations that have been issued and are effective for annual periods beginning after 1 July 2020 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2020 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

2.2 Financial assets at fair value through profit or loss

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Sub-Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

(ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Sub-Fund commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund had transferred substantially all risks and rewards of ownership.

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

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

2. Summary of significant accounting policies (Continued)

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

(iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last traded market price for both listed financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market is determined by using broker quotes or valuation techniques. Details of fair value estimation of these securities are discussed in Note 10.

(iv) Transfers between levels of the fair value hierarchy

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

2.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Sub-Fund or the counterparty.

2.4 Amounts due from and due to broker

Amounts due from and due to the broker represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the reporting date respectively. The amounts due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Sub-Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

2. Summary of significant accounting policies (Continued)

2.5 Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method.

2.6 Other receivables and payables

Other receivables and payables are recognised initially at fair value, and subsequently stated at amortised costs using the effective interest method.

2.7 Transaction costs

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

2.8 Expenses

Expenses are accounted for on an accrual basis.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.10 Distribution to unitholders

Distributions to unitholders are recognised in the statement of comprehensive income when they are approved by the Manager.

2.11 Foreign currencies translation

Functional and presentation currency

The performance of the Sub-Fund is measured and reported to the unitholders in Reminbi (“RMB”). The Manager considers RMB as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in RMB, which is the Sub-Fund’s functional and presentation currency.

PING AN OF CHINA SIF – RMB BOND FUND
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

2. Summary of significant accounting policies (Continued)

2.11 Foreign currencies translation (Continued)

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 reporting date.

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

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “net foreign currency gains/(losses)”.

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

2.12 Redeemable units

The Sub-Fund has two classes of redeemable unit under three currencies: Class A (RMB) Units, Class A (HKD) Units, Class A (USD) Units, Class A-Acc (HKD) Units and Class A-Acc (USD) Units, which are redeemable at the holder’s option and do not have identical rights. Such units are classified as financial liabilities. Redeemable shares can be put back to the Sub-Fund at any dealing date for cash equal to a proportionate share of the Sub-Fund’s net asset value attributable to the share class.

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

Redeemable shares are issued and redeemed at the holder’s option at prices based on the Sub-Fund’s net asset value per share at the time of issue or redemption. The Sub-Fund’s net asset value per share is calculated by dividing the net assets attributable to the holders of each class of redeemable shares with the total number of outstanding redeemable shares for each respective class.

In accordance with the provisions of the Sub-Fund’s regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

In accordance with the Explanatory Memorandum of the Sub-Fund, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and redemptions of the Sub-Fund.

2.13 Taxation

The Sub-Fund is exempt from Hong Kong profit tax on profits arising from authorised activities under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance. However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

3. Critical accounting estimates and judgements

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

Taxation

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

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

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

Furthermore, according to the notice Caishui [2016] No.36 ("Circular 36"), Value-Added Tax ("VAT") at 6% shall be levied on the difference between the selling and buying prices of those marketable securities starting from 1 May 2016. Based on Article 4 of the notice Caishui [2016] No. 70, income derived by approved foreign investors from the trading of RMB denominated debt securities in the China Interbank Bond Market should be exempt from PRC VAT. There is no specific VAT rules on Bond Connect, by making reference to the above circular and other related prevailing tax regulations, it is anticipated that gains derived by foreign investors from the trading of PRC bonds through "Northbound Trading" should also not be subject to PRC VAT. Pursuant to Circular 36, interest derived from bonds issued by PRC tax resident enterprises should be subject to VAT at 6% unless specifically exempted. In addition, if VAT is applicable, local surtaxes including Urban Maintenance and Construction Tax (currently at the rate ranging from 1% to 7%), Education Surcharge (currently at the rate of 3%) and Local Education Surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities (the "VAT related taxes"). Deposit interest income and interest received from government bonds and local government bonds are exempt from VAT.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

3. Critical accounting estimates and judgements (Continued)

Exemption of PRC WIT and VAT effective from 7 November 2018

On 7 November 2018, the Ministry of Finance and the PRC State Taxation Administration (“STA”) jointly issued a notice Caishui [2018] No.108 (“Circular 108”) which stipulates that foreign institutional investors are temporarily exempted from PRC WIT and VAT in respect of bond interest income received from 7 November 2018 to 6 November 2021.

Hence, the Manager has changed the tax provisioning policy of the Sub-Fund and cease to make provisions for PRC WIT and VAT (plus the VAT related taxes) on the interest income received from PRC non-government bonds from 7 November 2018 to 6 November 2021.

(a) Capital gains on PRC debt securities

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

The Manager considers that the PRC WIT on capital gains from PRC debt securities is still uncertain and has not made the provision on the gross realised capital gains for the period from 11 April 2011 (inception date of the Sub-Fund) to 30 June 2021 of RMB3,126,177 (From 11 April 2011 (inception date of the Sub-Fund) to 30 June 2020: RMB2,992,547) and gross unrealised capital gains as at 30 June 2021 of RMB566,780 (As at 30 June 2020: RMB188,550) derived from PRC debt securities in the Sub-Fund, respectively.

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

(b) Interest income on PRC debt securities issued by PRC tax residents

Management has not made PRC WIT and VAT provision on the accrued interest income of PRC debt securities during the year and as at reporting date as they consider that the Sub-Fund is temporality exempt from PRC WIT and VAT in respect of bond interest income received from 7 November 2018 to 6 November 2021 in accordance with Circular 108.

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NOTES TO THE FINANCIAL STATEMENTS

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3. Critical accounting estimates and judgements (Continued)

(b) Interest income on PRC debt securities issued by PRC tax residents (Continued)

As at 30 June 2021, the Manager estimated that the Sub-Fund's accumulated interest income received from PRC non-government bonds from 1 May 2016 to 6 November 2018 (prior to the issuance of Circular 108) for the VAT and WIT for the period from 11 April 2011 (inception date of the Sub-Fund) to 6 November 2018 (prior to the issuance of circular 108) in total of RMB799,000 (2020: RMB799,000) could be exposed to VAT, Urban Maintenance and Construction Tax, Education Surcharge and Local Education Surcharge and WIT of approximately RMB130,553 (2020: RMB130,553). The Manager did not consider that the potential PRC VAT and WIT exposure arising from the Sub-fund's accumulated interest income received as mentioned above to be material and no provision has been made as at 30 June 2021 and 30 June 2020.

Functional currency

The Management considers the Renminbi ("RMB") the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The RMB is the currency in which the Sub-Fund measures its performance and reports its results, as well as the currency in which it receives subscriptions from and pays redemption to its investors. This determination also considers the competitive environment in which the Sub-Fund is compared to other investment products.

4. Fees

Management fee

The Manager is entitled to receive, on an annual basis, a management fee from the Sub-Fund, at a rate of 1% per annum with respect to the net asset value of the Sub-Fund calculated and accrued on each dealing day and are paid monthly in arrears. The management fee for the year ended 30 June 2021 was RMB1,484,878 (2020: RMB1,614,712). At 30 June 2021, management fee of RMB120,071 (2020: RMB131,709) was payable to the Manager.

Trustee fee

The Trustee is entitled to receive, on an annual basis, a trustee fee from the Sub-Fund at a rate of 0.15% per annum on the first RMB 200 million of the net asset value of each class of the Sub-Fund, 0.125% per annum on the next RMB 200 million of the net asset value of each class of the Sub-Fund, and 0.11% per annum on the remaining balance of the net asset value of each class of the Sub-Fund calculated, subject to a minimum monthly fee of RMB40,000 and accrued on each dealing day and is paid monthly in arrears. The trustee fee for the year ended 30 June 2021 was RMB480,000 (2020: RMB482,667). At 30 June 2021, trustee fee of RMB40,000 (2020: RMB42,581) was payable to the Trustee.

Custodian fee

The Custodian is entitled to receive, on an annual basis, a custodian fee from the Sub-Fund, at a rate of 0.025% per annum of the net asset value of the Sub-Fund calculated and is paid monthly in arrears. The custodian fee for the year ended 30 June 2021 was RMB53,736 (2020: RMB57,256). At 30 June 2021, there was no custodian fee payable to the Custodian (2020: Nil).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

5. Taxation

Hong Kong Profits Tax

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

PRC Tax

During the year, the Manager had invested the Sub-Fund's asset in RMB denominated debt securities in PRC. Refer to Note 3 for details.

6. Distribution

The distributions made by Sub-Fund for the year ended 30 June 2021 and 2020 are as follows:

| | 2021 RMB | 2020 RMB |
|---|------------------|------------------|
| Interim distribution declared on 30 December 2019 (RMB1.60/USD0.14 per unit) | - | 2,422,255 |
| Final distribution declared on 26 June 2020 (RMB1.18/USD0.10 per unit) | - | 1,678,397 |
| Interim distribution declared on 18 December 2020 (RMB1.51/USD0.14 per unit) | 2,370,364 | - |
| Final distribution declared on 25 June 2021 (RMB1.21/HKD0.49/USD0.14 per unit) | 1,671,550 | - |
| Total distribution | <u>4,041,914</u> | <u>4,100,652</u> |

7. Financial assets at fair value through profit or loss

| | 2021 RMB | 2020 RMB |
|---|--------------------|--------------------|
| Listed debt securities, at fair value | 50,685,650 | 101,562,484 |
| Quoted debt securities, at fair value | <u>87,752,746</u> | <u>43,708,966</u> |
| Total financial assets at fair value through profit or loss | <u>138,438,396</u> | <u>145,271,450</u> |
| Losses recognised in relation to financial assets at fair value through profit or loss: | | |
| - realised (losses)/gain on sale of financial assets | (270,375) | 930,776 |
| - change in unrealised gains/(losses) on financial assets | <u>190,916</u> | <u>(1,838,137)</u> |
| Net losses on financial assets at fair value through profit or loss | <u>(79,459)</u> | <u>(907,361)</u> |

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

7. Financial assets at fair value through profit or loss (Continued)

The following table summarises the exposure of the Sub-Fund to the place of incorporation of the issuers of the debt securities:

| | 2021 | | 2020 | |
|------------------------|---------------------|--------------------------|---------------------|--------------------------|
| | Fair Value (RMB) | % of Net Assets Value | Fair Value (RMB) | % of Net Assets Value |
| Canada | - | 0.00% | 3,014,280 | 2.02% |
| Cayman Islands | 21,104,950 | 14.54% | 54,639,658 | 36.67% |
| China | 69,693,040 | 48.00% | 37,849,655 | 25.41% |
| Hong Kong | 18,212,400 | 12.55% | 18,138,207 | 12.17% |
| Korea | 2,994,060 | 2.06% | 4,997,800 | 3.35% |
| Singapore | - | 0.00% | 1,005,780 | 0.67% |
| United Arab Emirates | 12,207,280 | 8.41% | 7,020,370 | 4.71% |
| British Virgin Islands | 13,221,806 | 9.11% | 18,605,700 | 12.49% |
| Germany | 1,004,860 | 0.69% | - | 0.00% |
| | <u>138,438,396</u> | <u>95.36%</u> | <u>145,271,450</u> | <u>97.49%</u> |

8. Cash and cash equivalents

| | 2021 RMB | 2020 RMB |
|-----------------|-------------------|-------------------|
| Bank balance | | |
| Current account | <u>10,624,140</u> | <u>10,448,088</u> |

The bank balance is the cash at bank held with Bank of China (Hong Kong) Limited, an affiliate company of the Trustee.

9. Number of units in issue and net assets attributable to unitholders per unit

The net asset value is calculated by determining the value of the assets attributable to the Sub-Fund, including accrued income, and deducting all its liabilities at 30 June 2021 and 30 June 2020. The resultant sum is divided by the total number of units in issue at 30 June 2021 and 30 June 2020 to give the net asset value per unit and adjusting the resultant sum to the nearest 2 decimal places.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

9. Number of units in issue and net assets attributable to unitholders per unit (Continued)

| | 2021 | 2020 |
|--|-----------------------------|-----------------------------|
| Net asset value per unit (Class A RMB) | RMB 104.93 | RMB 104.74 |
| Net asset value per unit (Class A USD) | USD 9.82 | USD 8.97 |
| Net asset value per unit (Class A HKD) | HKD 102.14 | - |
| Net asset value per unit (Class A ACC HKD) | HKD 101.24 | - |
| Net asset value per unit (Class A ACC USD) | USD 10.12 | - |
| | <u> </u> | <u> </u> |

10. Financial risk and management objective and policies

Capital management

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

Investment in 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.

The investment objective of the Sub-Fund is to achieve long-term capital growth in RMB terms through investment in a portfolio consisting mainly of RMB denominated fixed rate debt instruments which will generate a steady flow of income for the Sub-Fund.

Market risk

The performance of the Sub-Fund will be affected by a number of risk factors, including the following:

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 movement may therefore result in substantial fluctuation in the net asset value per redeemable unit of the Sub-Fund.

The Sub-Fund's activities expose it to a variety of financial risk: market price risk, currency risk, interest rate risk, credit and counterparty risk and liquidity risk. The risks and the respective risk management policies employed by the Sub-Fund to manage these risks are disclosed below:

Price risk

The Sub-Fund's market price risk is managed through diversification of the investment portfolio as well as investing in securities with strong fundamentals. The table below summarises the overall market exposures of the Sub-Fund by market and the impact of increases/decreases from the Sub-Fund's

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NOTES TO THE FINANCIAL STATEMENTS

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10. Financial risk and management objective and policies (Continued)

Market risk (Continued)

financial assets at fair value through profit or loss on the Sub-Fund's net asset value at 30 June 2021 and 30 June 2020. The analysis is based on the assumption that the underlying investments increased/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.

| | Carrying value of financial assets at fair value through profit or loss RMB | % of net assets % | Reasonable possible shift in underlying securities % +/- | Estimated possible change in net asset value RMB +/- |
|--|---|-------------------------|---|---|
| At 30 June 2021 | | | | |
| Financial assets at fair value through profit or loss | 138,438,396 | 95.36 | 1 | 1,384,384 |
| At 30 June 2020 | | | | |
| Financial assets at fair value through profit or loss | 145,271,450 | 97.49 | 1 | 1,452,715 |

Interest rate risk

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

As the Sub-Fund has invested in debt securities whose values are driven significantly by changes in interest rates, the Sub-Fund is subject to interest rate risk. The Manager regularly assesses the economic condition, monitor changes in interest rates outlook and takes appropriate measures accordingly to control the impact of interest rate risk. In a rising interest rate environment, the Sub-Fund will acquire debts with a shorter maturity profile to minimise the negative impact to the portfolio.

The majority of interest rate exposure arises on investments in debt securities. Most of the Sub-Fund's investments in debt securities carry fixed interest rates and mature within five years.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries. At 30 June 2021, the Sub-Fund has invested in interest-bearing securities of RMB138,438,396 (2020: RMB145,271,450) and the portfolio weighted average modified duration of the Sub-Fund is 3.2 (2020: 3.2).

As at 30 June 2021, should the relevant interest rates have lowered/risen by 25 basis points (2020: 25 basis points) with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the period would amount to approximately RMB1,181,321 (2020: RMB1,244,897) arising from the increase/decrease in market values of debt securities.

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For the year ended 30 June 2021

10. Financial risk and management objective and policies (Continued)

Market risk (Continued)

As the bank and short term deposits have maturity dates within one month, the Manager considers the movement in interest rates will have insignificant cash flow impact on the daily net assets attributable to holders of redeemable units at 30 June 2021 and therefore no sensitivity analysis on bank and term deposit is presented.

Foreign exchange risk

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

The Sub-Fund holds assets and liabilities mainly denominated in RMB, the functional currency of the Sub-Fund. The Manager considers the Sub-Fund is not exposed to significant currency risk and therefore no sensitivity analysis is presented.

Liquidity risk

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

For the RMB denominated debt securities in which the Sub-Fund invests are not listed on a stock exchange or a securities market, trading is conducted on a regular basis. There is also no guarantee that market making arrangements will be in place to make a market and quote a price for all RMB denominated debt securities. In the absence of an active secondary market, the Sub-Fund may need to hold the RMB denominated debt securities until their maturity date. If sizeable redemption requests are received, the Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Sub-Fund may suffer losses in trading such instruments. Even if a secondary market is developed, the price at which the RMB denominated debt securities are traded may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates.

Further, the bid and offer spread of the price of RMB denominated debt securities may be high, and the Sub-Fund may therefore incur significant trading costs and may even suffer losses when selling such investments. The Manager seeks to control the liquidity risk of the investment portfolio by a series of internal management measures in order to meet unitholders' redemption requests.

Financial liabilities

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

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10. Financial risk and management objective and policies (Continued)

Liquidity risk (Continued)

Financial assets

Analysis of equity and debt securities at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting year to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

The following table summarises the maturity profile of the Sub-Fund's financial assets and financial liabilities. Balances due within 1 year equal their carrying amounts, as the impact of discounting is insignificant.

| At 30 June 2021 | On demand | Less than 1 month | Less than 1 Year | 1 to 5 years | More than 5 years | Total |
|------------------------|-----------|----------------------|---------------------|-----------------|----------------------|---------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |

Assets

| | | | | | | |
|------------------------|--------|-------|--------|--------|--------|---------|
| Total financial assets | 10,624 | 1,361 | 24,980 | 85,477 | 29,788 | 152,230 |
|------------------------|--------|-------|--------|--------|--------|---------|

| At 30 June 2021 | On demand | Less than 1 month | Less than 1 Year | 1 to 5 years | More than 5 years | Total |
|------------------------|-----------|----------------------|---------------------|-----------------|----------------------|---------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |

Liabilities

| | | | | | | |
|--|---|---------|---|---|---|---------|
| Amounts due to brokers | - | 5,000 | - | - | - | 5,000 |
| Redemption proceeds payables | - | 21 | - | - | - | 21 |
| Management fee payable | - | 120 | - | - | - | 120 |
| Trustee fee payable | - | 40 | - | - | - | 40 |
| Distribution payable to unitholders | - | 1,672 | - | - | - | 1,672 |
| Accrued expenses and other payables | - | 209 | - | - | - | 209 |
| Net assets attributable to unitholders | - | 145,168 | - | - | - | 145,168 |
| Total financial liabilities | - | 152,230 | - | - | - | 152,230 |

| At 30 June 2020 | On demand | Less than 1 month | Less than 1 Year | 1 to 5 years | More than 5 years | Total |
|------------------------|-----------|----------------------|---------------------|-----------------|----------------------|---------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |

Assets

| | | | | | | |
|------------------------|--------|-----|--------|--------|--------|---------|
| Total financial assets | 10,448 | 506 | 63,464 | 51,021 | 32,622 | 158,061 |
|------------------------|--------|-----|--------|--------|--------|---------|

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10. Financial risk and management objective and policies (Continued)

Liquidity risk (Continued)

Financial assets (Continued)

| At 30 June 2020 | On demand | Less than 1 month | Less than 1 Year | 1 to 5 years | More than 5 years | Total |
|---|------------------|------------------------------|-----------------------------|-------------------------|------------------------------|----------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| <u>Liabilities</u> | | | | | | |
| Amounts due to brokers | - | 7,000 | - | - | - | 7,000 |
| Management fee payable | - | 132 | - | - | - | 132 |
| Trustee fee payable | - | 43 | - | - | - | 43 |
| Distribution payable to unitholders | - | 1,678 | - | - | - | 1,678 |
| Accrued expenses and other payables | - | 192 | - | - | - | 192 |
| Net assets attributable to unitholders | - | 149,016 | - | - | - | 149,016 |
| Total financial liabilities | - | 158,061 | - | - | - | 158,061 |

Credit and counterparty risk

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

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

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

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 custodian. The table below summarises the Sub-Fund's assets placed with banks and the custodian:

| | RMB | Credit rating | Source of credit rating |
|-------------------------------|-------------|----------------------|------------------------------------|
| <u>At 30 June 2021</u> | | | |
| <u>Banks</u> | | | |
| Bank of China (Hong Kong) | 10,624,140 | A+ | S&P |
| <u>Custodian</u> | | | |
| Bank of China (Hong Kong) | 138,438,396 | A+ | S&P |

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

10. Financial risk and management objective and policies (Continued)

Credit and counterparty risk (Continued)

At 30 June 2020

| | | | |
|---------------------------|-------------|---|-----|
| <u>Banks</u> | | | |
| Bank of China (Hong Kong) | 10,448,088 | A | S&P |
| <u>Custodian</u> | | | |
| Bank of China (Hong Kong) | 145,271,450 | A | S&P |

The table below summarizes the issue or issuer credit rating of the debt securities as of 30 June 2021 and 2020:

| | | 2021 % of net assets | 2020 % of net assets |
|---------|---------|----------------------------|----------------------------|
| S&P | Moody's | | |
| AAA | Aaa | 0.69 | - |
| AA+ | Aa1 | 3.45 | - |
| AA | Aa2 | - | 3.35 |
| AA- | Aa3 | 4.89 | 6.73 |
| A+ | A1 | 13.50 | 3.43 |
| A | A2 | 3.49 | - |
| A- | A3 | - | 0.67 |
| BBB+ | Baa1 | 6.98 | 6.84 |
| BBB | Baa2 | 5.56 | 5.41 |
| BBB- | Baa3 | 6.99 | 6.76 |
| BB+ | Ba1 | 6.73 | 9.35 |
| BB | Ba2 | 3.51 | 6.82 |
| BB- | Ba3 | - | - |
| B+ | B1 | - | - |
| B | B2 | - | 6.93 |
| B- | B3 | - | - |
| Unrated | Unrated | 39.57 | 41.20 |
| | | <u>95.36</u> | <u>97.49</u> |

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

10. Financial risk and management objective and policies (Continued)

Credit and counterparty risk (Continued)

The below table summarises the unrated debt securities as stated in the table above by their issuer's credit rating as at 30 June 2021 and 2020.

| S&P | Moody's | 2021 % of net assets | 2020 % of net assets |
|---------|---------|----------------------------|----------------------------|
| AA- | Aa3 | - | 3.38 |
| A+ | A1 | 10.39 | 11.72 |
| A | A2 | 5.51 | 2.69 |
| BBB+ | Baa1 | 3.60 | 3.70 |
| BBB- | Baa3 | - | 6.10 |
| B+ | B1 | 3.45 | - |
| Unrated | Unrated | 16.62 | 13.59 |
| | | <u>39.57</u> | <u>41.18</u> |

The manager has assessed the credit quality of bonds based on the nature of the issuers and the historical information about the issuer's default rates.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Sub-Fund measure credit risk and expected credit losses using probability of default, exposure at default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2021, cash and cash equivalents of the Sub-Fund is held with counterparties with a credit rating A+ (2020: A) or higher and are due to be settled within 1 month. As at 30 June 2021 and 2020, interest receivable on financial assets at fair value through profit or loss, subscription proceeds receivables, bank deposits and cash and cash equivalents can be realized within three months. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

Fair value estimation

The Sub-Funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Sub-Funds can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

PING AN OF CHINA SIF – RMB BOND FUND
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

10. Financial risk and management objective and policies (Continued)

Fair value estimation (Continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require

significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

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

The following tables illustrate the fair value measurement hierarchy of the Sub-Fund’s financial instruments measured at fair value at 30 June 2021 and 2020.

| | Level 1 RMB | Level 2 RMB | Level 3 RMB | Total RMB |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| As at 30 June 2021 | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Listed/quoted debt securities | 50,685,650 | 87,752,746 | - | 138,438,396 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| As at 30 June 2020 | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Listed/quoted debt securities | - | 145,271,450 | - | 145,271,450 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

There are no investments classified within level 3 and no transfer between levels was noted for the year ended 30 June 2021 (2020: Nil).

11. Transactions with related parties or connected persons

In addition to the transactions disclosed in Note 4, the following is a summary of significant related party transactions entered into during the year between the Sub-Fund and its related parties including the Manager, the Investment delegate, Trustee/Custodian, and their connected persons. Connected persons of the Manager and Trustee are those as defined in the SFC Code. All transactions entered into during the year between the Sub-Fund and the Manager were carried out in the normal course of business and on normal commercial terms.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

11. Transactions with related parties or connected persons (Continued)

Bank deposits and investments held by the Trustee's affiliates

Bank deposits and investments were held by the Trustee's affiliates, Bank of China (Hong Kong) Limited, with bank deposits, investment and interest income on bank deposits amounted to RMB10,624,140 (2020: RMB10,448,088), RMB138,438,396 (2020: RMB145,271,450) and RMB5,543 (2020: RMB12,863) respectively. Further details of the balances held are described in Note 8 to the financial statement.

Bank charges and investment fees paid to the related party of the Trustee

Bank charges and investment handling fees pertains to the amount charged by Bank of China (Hong Kong) Limited to Sub-Fund. The bank charges and the transaction fees for the year ended 30 June 2021 were RMB2,439 (2020: RMB1,717) and RMB5,650 (2020: RMB6,750) respectively.

Financial assets at fair value through profit or loss

The Sub-Fund invests in the debt securities issued by the group company of the Trustee, i.e. Bank of China Limited and these balances are summarised below:

| | Holding as at 1 July 2020 | Addition | Disposal | Holding as at 30 June 2021 | Market Value as at 30 June 2021 RMB |
|---|---------------------------------|-----------|-------------|----------------------------------|---|
| <u>2021</u> | | | | | |
| Bank of China Ltd 4.15% A 19Mar2031 CDC | - | 5,000,000 | - | 5,000,000 | 5,064,910 |
| Bank of China/Hong Kong 2.8% S/A 14Jan2023 | - | 2,500,000 | (2,500,000) | - | - |
| BOC Aviation Ltd 4.5% S/A 17Oct2020 | 1,000,000 | - | (1,000,000) | - | - |
| | | | | | - |
| | Holding as at 1 July 2019 | Addition | Disposal | Holding as at 30 June 2020 | Market Value as at 30 June 2020 RMB |
| <u>2020</u> | | | | | |
| Bank of China Ltd/Johannesburg 4.88% S/A 20Apr2020 | 8,000,000 | - | (8,000,000) | - | - |
| BOC Aviation Ltd 4.5% S/A 17Oct2020 | - | 1,000,000 | - | 1,000,000 | 1,005,780 |
| | | | | | 1,005,780 |

During the year ended 30 June 2021, the Sub-Fund earned net gains and interest income of RMB12,950 (2020: net losses of RMB105,600) and RMB68,618 (2020: RMB385,179) from debt securities issued by the group company of the Trustee, Bank of China Limited, respectively. As at 30 June 2021, interest income from the debt securities of RMB59,123 (2020: RMB9,247) remains receivable.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

12. Soft dollar arrangements

The Manager and its connected persons may enter into soft dollar 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 (and its Connected Persons) had not received any soft dollar commission or participated in any soft dollar arrangements in respect of the management of the Sub-Fund. The Manager (and its Connected Persons) has not retained any cash rebates from any broker or dealer.

13. Approval of the financial statements

The financial statements were approved and authorized for issue by the Trustee and the Manager on 20 October 2021.

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

Investment portfolio (Unaudited)

30 June 2021

| | Nominal value | Fair Value | % of net assets |
|--|---------------|-------------|-----------------|
| <u>Financial assets at fair value through profit or loss</u> | | | |
| Listed debt securities | | | |
| Denominated in RMB | | | |
| <i>Cayman Islands</i> | | | |
| CIFI Hldgs Group Co Ltd 6.7% S/A 23Apr2022 | 5,000,000 | 5,099,100 | 3.51% |
| Cni Capital Ltd 3.97% S/A 01Nov2022 | 6,000,000 | 5,985,000 | 4.11% |
| Zhenro Properties Group Ltd 7.125% S/A 30Jun2022 | 5,000,000 | 5,005,700 | 3.45% |
| | | <hr/> | <hr/> |
| | | 16,089,800 | 11.07% |
| <i>Germany</i> | | | |
| Kreditanstalt Fuer Wiederaufbau 2.7% A 25Mar2024 | 1,000,000 | 1,004,860 | 0.69% |
| | | <hr/> | <hr/> |
| | | 1,004,860 | 0.69% |
| <i>Hong Kong</i> | | | |
| Far East Horizon Ltd 4.7% S/A 09Feb2024 | 5,000,000 | 5,134,800 | 3.54% |
| MTR Corp Ltd 2.9% A 18Mar2022 | 5,000,000 | 5,005,600 | 3.45% |
| | | <hr/> | <hr/> |
| | | 10,140,400 | 6.99% |
| <i>Korea</i> | | | |
| Hanwha Solutions Corp 3% S/A 19Apr2024 | 3,000,000 | 2,994,060 | 2.06% |
| | | <hr/> | <hr/> |
| | | 2,994,060 | 2.06% |
| <i>UAE</i> | | | |
| Emirates NBD Bank PJSC 4.05% A 24Sep2025 | 5,000,000 | 5,108,650 | 3.52% |
| First Abu Dhabi Bank Pjsc 3.5% A 02Jul2025 | 7,000,000 | 7,098,630 | 4.89% |
| | | <hr/> | <hr/> |
| | | 12,207,280 | 8.41% |
| <i>Virgin ISL, BT</i> | | | |
| Charter Style Intl Ltd 5.8% S/A 15Sep2024 | 5,000,000 | 5,227,500 | 3.60% |
| Eastern Creation II Investment Hldgs Ltd 3.4% S/A 4,000,000 26Nov2022 | 3,000,000 | 3,021,750 | 2.08% |
| | | <hr/> | <hr/> |
| | | 8,249,250 | 5.68% |
| Total of listed financial assets at fair value through profit or loss | | <hr/> <hr/> | <hr/> <hr/> |
| | | 50,685,650 | 34.90% |
| Unlisted but quoted debt securities | | | |
| Denominated in RMB | | | |
| <i>Cayman Islands</i> | | | |
| Sun Hung Kai Properties Capital Market Ltd 3.2% S/A 14Aug2027 | 5,000,000 | 5,015,150 | 3.45% |
| | | <hr/> | <hr/> |
| | | 5,015,150 | 3.45% |

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

Investment portfolio (Unaudited) (Continued)

30 June 2021

| | Nominal value | Fair Value | % of net assets |
|---|---------------|--------------------|-----------------|
| <u>Financial assets at fair value through profit or loss</u> | | | |
| <u>(continued)</u> | | | |
| Unlisted but quoted debt securities (Continued) | | | |
| Denominated in RMB | | | |
| <i>China</i> | | | |
| Agricultural Development Bank of China co Ltd 2.96% A 17Apr2030 CDC | 10,000,000 | 9,578,090 | 6.60% |
| Bank of China Ltd 4.15% A 19Mar2031 CDC | 5,000,000 | 5,064,910 | 3.49% |
| China Development Bank Corp 3.3% A 03Mar2026 CDC | 10,000,000 | 10,028,770 | 6.91% |
| China Orient Asset Management Co Ltd 4.33% A 23Aug2029 SHCH | 10,000,000 | 10,129,350 | 6.98% |
| Dalian Wanda Commercial Management Group Co Ltd 5.38% A 29Jul2023 SHCH | 10,000,000 | 9,769,700 | 6.73% |
| Guangzhou Metro Group Co Ltd 3.72% A 10Jan2025 CDC | 10,000,000 | 10,064,560 | 6.93% |
| Hangzhou Binjiang Real Estate Group Co Ltd 4.4% A 15Oct2023 SHCH | 5,000,000 | 5,044,750 | 3.48% |
| Shanghai Powerlong Industrial Development Group Co Ltd 5.7% A 23Oct2021 SHCH | 5,000,000 | 4,996,665 | 3.44% |
| Zhejiang Geely Hldg Group Co Ltd 3.85% A 09Nov2023 SHCH | 5,000,000 | 5,016,245 | 3.46% |
| | | <u>69,693,040</u> | <u>48.02%</u> |
| <i>Hong Kong</i> | | | |
| Vanke Real Estate Hong Kong Co Ltd 3.85% S/A 13Jun2022 | 8,000,000 | 8,072,000 | 5.56% |
| | | <u>8,072,000</u> | <u>5.56%</u> |
| <i>Virgin ISL, BT</i> | | | |
| Wharf Reic Finance BVI Ltd 2.95% A 26Feb2024 | 5,000,000 | 4,972,556 | 3.43% |
| | | <u>4,972,556</u> | <u>3.43%</u> |
| Total of unlisted but quoted financial assets at fair value through profit or loss | | <u>87,752,746</u> | <u>60.46%</u> |
| <u>Total Net Assets</u> | | | |
| Total investment portfolio (Cost: RMB137,595,765) | | 138,438,396 | 95.36% |
| Other net assets | | 6,729,953 | 4.64% |
| Total net assets | | <u>145,168,349</u> | <u>100.00%</u> |

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

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

Movements in investment portfolio (Unaudited)

For the year ended 30 June 2021

| | Holding as at 1 July 2020 | <u>Movements in nominal value</u> | | At 30 June 2021 |
|---|---------------------------------|-----------------------------------|--------------|--------------------|
| | | Additions | Disposals | |
| <u>Financial assets at fair value through profit or loss</u> | | | | |
| Listed debt securities | | | | |
| Denominated in RMB | | | | |
| Bank of China/Hong Kong 2.8% S/A 14Jan2023 | - | 2,500,000 | (2,500,000) | - |
| BOC Aviation Ltd 4.5% S/A 17Oct2020 | 1,000,000 | - | (1,000,000) | - |
| Charter Style Intl Ltd 5.8% S/A 15Sep2024 | 5,000,000 | - | - | 5,000,000 |
| China Construction Bank Corp/Astana 2.95% S/A 19Mar2022 | 2,200,000 | - | (2,200,000) | - |
| CIFI Hldgs Group Co Ltd 6.7% S/A 23Apr2022 | 5,000,000 | - | - | 5,000,000 |
| CIFI Hldgs Group Co Ltd 7.75% S/A 20Sep2020 | 5,000,000 | - | (5,000,000) | - |
| Cni Capital Ltd 3.97% S/A 01Nov2022 | 6,000,000 | - | - | 6,000,000 |
| Country Garden Hldgs Co Ltd 5.8% S/A 12Mar2021 | 3,750,000 | - | (3,750,000) | - |
| Eastern Creation II Investment Hldgs Ltd 3.4% S/A 26Nov2022 | 4,000,000 | - | (1,000,000) | 3,000,000 |
| Emirates NBD Bank PJSC 4.05% A 24Sep2025 | - | 5,000,000 | - | 5,000,000 |
| Fantasia Hldgs Group Co Ltd 11.875% S/A 11Sep 2020 | 5,420,000 | - | (5,420,000) | - |
| Far East Horizon Ltd 4.7% S/A 09Feb2024 | - | 5,000,000 | - | 5,000,000 |
| Far East Horizon Ltd 4.9% S/A 27Feb2021 | 10,000,000 | - | (10,000,000) | - |
| First Abu Dhabi Bank PJSC 3.5% A 02Jul2025 | 7,000,000 | - | - | 7,000,000 |
| Franshion Brilliant Ltd 5.2% S/A 08Mar2021 | 9,000,000 | - | (9,000,000) | - |
| Hanwha Solutions Corp 3% S/A 19Apr2024 | - | 3,000,000 | - | 3,000,000 |
| Korea Development Bank 2.7% A 14May2023 | 5,000,000 | - | (5,000,000) | - |
| Kreditanstalt Fuer Wiederaufbau 2.7% A 25Mar2024 | - | 4,000,000 | (3,000,000) | 1,000,000 |
| MTR Corp Ltd 2.9% A 18Mar2022 | - | 5,000,000 | - | 5,000,000 |
| QNB Finance Ltd 3.8% A 25Apr2022 | 5,000,000 | - | (5,000,000) | - |
| Royal Bank of Canada 4.25% A 29Sep2020 | 3,000,000 | - | (3,000,000) | - |
| Shimao Property Hldgs Ltd 5.75% S/A 15Mar2021 | 10,000,000 | - | (10,000,000) | - |
| Shui On Development Hldg Ltd 6.875% S/A 02Mar2021 | 9,000,000 | - | (9,000,000) | - |
| Zhenro Properties Group Ltd 7.125% S/A 30Jun2022 | - | 5,000,000 | - | 5,000,000 |
| Zhenro Properties Group Ltd 7.4% S/A 12Aug2021 | - | 5,000,000 | (5,000,000) | - |
| Zhenro Properties Group Ltd 8% S/A 16Aug2020 | 5,000,000 | - | (5,000,000) | - |

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

Movements in investment portfolio (unaudited) (continued)

For the year ended 30 June 2021

| | Holding as at 1 July 2020 | <u>Movements in nominal value</u> | | At 30 June 2021 |
|---|---------------------------------|-----------------------------------|--------------|--------------------|
| | | Additions | Disposals | |
| <u>Financial assets at fair value through profit or loss (continued)</u> | | | | |
| Unlisted but quoted debt securities | | | | |
| Denominated in RMB | | | | |
| Agricultural Development Bank of China 2.96% A 17Apr2030 CDC | - | 10,000,000 | - | 10,000,000 |
| Bank of China Ltd 4.15% A 19Mar2031 CDC | - | 5,000,000 | - | 5,000,000 |
| China Development Bank 3.09% A 18Jun2030 CDC | - | 10,000,000 | (10,000,000) | - |
| China Development Bank 3.65% A 21May2029 CDC | 5,000,000 | - | (5,000,000) | - |
| China Development Bank Corp 3.3% A 03Mar2026 CDC | - | 10,000,000 | - | 10,000,000 |
| China Government Bond 2.68% A 21May2030 CDC | - | 10,000,000 | (10,000,000) | - |
| China Govt Bond 3.86% S/A 22Jul2049 | 5,000,000 | - | (5,000,000) | - |
| China Orient Asset Management Co Ltd 4.33% A 23Aug2029 SHCH | 10,000,000 | - | - | 10,000,000 |
| China State Railway Group Co Ltd 4.1% A 25Jul2039 CDC | 5,000,000 | - | (5,000,000) | - |
| Dalian Wanda Commercial Management Group Co Ltd 5.38% A 29Jul2023 SHCH | - | 10,000,000 | - | 10,000,000 |
| Guangzhou Metro Group Co Ltd 3.72% A 10Jan2025 CDC | 10,000,000 | - | - | 10,000,000 |
| Hangzhou Binjiang Real Estate Group Co Ltd 4.4% A 15Oct2023 SHCH | - | 5,000,000 | - | 5,000,000 |
| Jiangsu Zhongnan Construction Group Co Ltd 6.85% A 22May2021 SHCH | - | 5,000,000 | (5,000,000) | - |
| Shanghai Powerlong Industrial Development Group Co Ltd 5.7% A 23Oct2021 | - | 5,000,000 | - | 5,000,000 |
| Sun Hung Kai Properties Capital Market Ltd 3.2% S/A 14Aug2027 | - | 5,000,000 | - | 5,000,000 |
| Vanke Real Estate Hong Kong Co Ltd 3.85% S/A 13Jun2022 | 8,000,000 | - | - | 8,000,000 |
| Wharf Reic Finance BVI Ltd 2.95% A 26Feb2024 | - | 5,000,000 | - | 5,000,000 |
| Zhejiang Geely Hldg Group Co Ltd 3.85% A 09Nov2023 SHCH | - | 5,000,000 | - | 5,000,000 |

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

Performance record (Unaudited)

Net asset value attributable to unitholders
(Calculated in accordance with the Sub-Fund's Trust Deed)

| | Net asset value per unit | Total net asset value RMB |
|---|------------------------------------|---|
| As at 30 June 2021 | | |
| Class A (RMB) | RMB 104.93 | 141,836,697 |
| Class A (USD) | USD 9.82 | 3,026,688 |
| Class A (HKD) | HKD 102.14 | 302,931 |
| Class A (USD-Acc) | USD 10.12 | 65 |
| Class A (HKD-Acc) | HKD 101.24 | 1,968 |
| As at 30 June 2020 | | |
| Class A (RMB) | RMB 104.74 | 145,767,945 |
| Class A (USD) | USD 8.97 | 3,247,988 |
| As at 30 June 2019 | | |
| Class A (RMB) | RMB 104.99 | 166,165,166 |
| Class A (USD) | USD 9.26 | 6,105,784 |
| <u>Highest issue price and lowest redemption price per unit</u> | | |
| | Highest issue price per unit | Lowest redemption price per unit |
| For the year ended 30 June 2021 | | |
| Class A (RMB) | RMB 106.07 | RMB 104.28 |
| Class A (USD) | USD 10.09 | USD 8.98 |
| Class A (HKD) | HKD 103.95 | HKD 100.00 |
| Class A (USD-Acc) | USD 10.26 | USD 9.86 |
| Class A (HKD-Acc) | HKD 102.55 | HKD 98.77 |
| For the year ended 30 June 2020 | | |
| Class A (RMB) | RMB 106.94 | RMB 104.74 |
| Class A (USD) | USD 9.32 | USD 8.91 |
| For the year ended 30 June 2019 | | |
| Class A (RMB) | RMB 108.16 | RMB 102.78 |
| Class A (USD) | USD 9.62 | USD 8.98 |
| For the year ended 30 June 2018 | | |
| Class A (RMB) | RMB 105.76 | RMB 103.29 |
| Class A (USD) | USD 10.07 | USD 9.19 |
| For the year ended 30 June 2017 | | |
| Class A (RMB) | RMB 105.10 | RMB 101.34 |
| Class A (HKD) | HKD 95.01 | HKD 92.94 |
| Class A (USD) | USD 9.42 | USD 8.77 |
| For the year ended 30 June 2016 | | |
| Class A (RMB) | RMB 103.15 | RMB 97.13 |
| Class A (HKD) | HKD 97.65 | HKD 89.47 |
| Class A (USD) | USD 9.68 | USD 8.85 |

PING AN OF CHINA SIF – RMB BOND FUND
(a sub-fund of Ping An of China Select Investment Fund Series)

Performance record (Unaudited) (Continued)

Highest issue price and lowest redemption price per unit (Continued)

| | Highest issue price per unit | Lowest redemption price per unit |
|--|------------------------------------|---|
| For the year ended 30 June 2015 | | |
| Class A (RMB) | RMB 101.26 | RMB 96.12 |
| Class A (HKD) | HKD 100.41 | HKD 93.94 |
| Class A (USD) | USD 9.95 | USD 9.31 |
| For the year ended 30 June 2014 | | |
| Class A (RMB) | RMB 101.57 | RMB 97.19 |
| Class A (HKD) | HKD 101.58 | HKD 96.46 |
| Class A (USD) | USD 10.06 | USD 9.55 |
| For the year ended 30 June 2013 | | |
| Class A (RMB) | RMB 102.33 | RMB 95.99 |
| Class A (HKD) | HKD 102.58 | HKD 96.89 |
| Class A (USD) | USD 10.24 | USD 9.59 |
| For the year ended 28 April 2011 (date of inception) to 30 June 2012 | | |
| Class A (RMB) | RMB 100 | RMB 94.98 |