



# CFund-China Equity

*(a Sub-Fund of CFund)*

## Annual Report and Financial Statements

For the year ended 31 December 2020

# **CFund - China Equity**

## **(A Sub-Fund of CFund)**

Annual Report and Financial Statements  
For the year ended 31 December 2020

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# **CFund - China Equity**

## **(A Sub-Fund of CFund)**

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### **Management and Administration**

#### Manager

Pickers Capital Management Limited  
Flat 1301, 13/F, Ovest,  
77 Wing Lok Street  
Sheung Wan  
Hong Kong

#### Trustee, Administrator, and Registrar

BOCI-Prudential Trustee Limited  
12/F & 25/F, Citicorp Centre  
18 Whitfield Road  
Causeway Bay  
Hong Kong

#### Directors of the Manager

Lee Ho Tak  
Lau, Ada Hiu-yee

#### Custodian

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

#### Legal Counsel to the Manager

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

#### Auditor

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

## **CFund - China Equity**

### **(A Sub-Fund of CFund)**

Annual Report and Financial Statements  
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#### **Report of the Manager to the unitholders**

CFund – China Equity (the “Sub-Fund”), a sub-fund of CFund, returned 51.8% (after fees) in 2020, a difficult year plagued by global pandemic. Looking back, 2020 will be remembered not only as the year of Covid, but also the year a number of emerging themes reached a tipping point (e.g. digitalization and new energy). Despite entering the year fully invested, we took decisive action to reduce exposure as the pandemic worsened. Our gold hedge contributed positively to fund performance, but ultimately it was our focus on secular growth areas within e-commerce, healthcare and technology, which drove the Sub-Fund’s outperformance during the year.

At the time of writing, vaccination programs have begun and a global economic recovery is underway, creating a positive backdrop for equities. Price hikes across a number of industries from semiconductors to container shipping to petrochemicals, driven by restocking and supply constraints, are supporting the reflation theme. We have seen a marked shift in sentiment as investors’ attention centre on inflation, higher interest rates and its impact on the valuation of risk assets. We believe the correction in new economy stocks is a response not only to higher discount rates, but also to expanded investment opportunities in the traditional economy as the recovery gathers pace. We continue to shift our portfolio toward a more balanced mix of structural versus cyclical exposure.

Looking ahead, key factors to monitor include: (1) China’s stance on balancing stimulus, liquidity and risk; (2) central banks’ response to further rise in long bond yields; (3) vaccination effectiveness and its impact on re-opening of economies; (4) the impact of cost push inflation on end consumer demand.

## **CFund - China Equity**

### **(A Sub-Fund of CFund)**

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#### **Certificate of the Manager**

We, as Manager of CFund – China Equity (the “Sub-Fund”), a sub-fund of CFund, hereby certify to the best of our knowledge and belief that during the year ended 31 December 2020, we have not, nor has any other person acting on our behalf:

- (a) transferred units to another person for sale, resale, cancellation or subsequent transfer to us for sale, resale or cancellation;
- (b) acquired or disposed of investments for account of the Sub-Fund other than through a recognised securities market;
- (c) disposed of units to another party for a price lower than the current issue price at the time of disposal;
- (d) acquired units for a price higher than the current realisation price at the time of such acquisition.

For and on behalf of

Pickers Capital Management Limited  
26 April 2021

## **CFund - China Equity**

### **(A Sub-Fund of CFund)**

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For the year ended 31 December 2020

#### Report of the Trustee to the unitholders

We hereby confirm that, to the best of our knowledge the Manager of CFund – China Equity (the “Sub-Fund”), a sub-fund of CFund, has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 6 November 2018, as amended, the First Supplemental deeds dated 6 November 2018, the Second Supplemental Deed dated 31 December 2019 and the Third Supplemental Deed dated 7 May 2020 , for the year ended 31 December 2020.

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BOCI-Prudential Trustee Limited  
26 April 2021

**Independent Auditor's Report  
To the Unitholders of CFund – China Equity  
(A Sub-Fund of CFund)**

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

**Opinion**

*What we have audited*

The financial statements of CFund – China Equity (the “Sub-Fund”), a sub-fund of CFund, set out on pages 8 to 44, which comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year ended 31 December 2020;
- the statement of changes in net assets attributable to unitholders for the year ended 31 December 2020;
- the statement of cash flows for the year ended 31 December 2020; 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 31 December 2020, and of its financial transactions and its cash flows for the year ended 31 December 2020 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 Code”) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

**Independent Auditor's Report  
To the Unitholders of CFund – China Equity  
(A Sub-Fund of CFund)(Continued)**

**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.

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 6 November 2018, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the 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  
To the Unitholders of CFund – China Equity  
(A Sub-Fund of CFund)(Continued)**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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, 26 April 2021

# CFund - China Equity

## (A Sub-Fund of CFund)

Statement of Financial Position  
As at 31 December 2020

|   | Notes     | As at<br>31 December<br>2020<br>HKD | As at<br>31 December<br>2019<br>HKD |
|---|-----------|-------------------------------------|-------------------------------------|
| <b>ASSETS</b>   |           |                                     |                                     |
| <b>CURRENT ASSETS</b>                                 |           |                                     |                                     |
| Financial assets at fair value through profit or loss | 3.1       | 524,793,905                         | 313,680,019                         |
| Derivatives   | 3.1 and 6 | 13,629,938                          | 1,578,426                           |
| Dividends receivable                                  |           | 29,394                              | 27,790                              |
| Amounts due from brokers                              |           | -                                   | 10,989,197                          |
| Receivables on subscriptions                          |           | 11,151,080                          | -                                   |
| Prepayments   |           | 11,044                              | 11,047                              |
| Margin deposits                                       | 8(a)      | 26,654,319                          | 17,208,000                          |
| Cash Collateral                                       | 8(b)      | 18,189,842                          | -                                   |
| Bank balances   | 11(a)     | 57,361,086                          | 16,436,322                          |
| <b>TOTAL ASSETS</b>                                   |           | <u>651,820,608</u>                  | <u>359,930,801</u>                  |
| <b>LIABILITIES</b>                                    |           |                                     |                                     |
| <b>CURRENT LIABILITIES</b>                            |           |                                     |                                     |
| Derivatives   | 3.1 and 6 | 2,643,522                           | 573,745                             |
| Management fee payable                                | 11(c)     | 685,475                             | 444,298                             |
| Performance fee payable                               | 11(d)     | 32,109,916                          | 5,005,342                           |
| Trustee fee payable                                   | 11(b)     | 67,875                              | 44,430                              |
| Amounts due to brokers                                |           | 30,536,595                          | 11,181,703                          |
| Amounts payable on redemption of units                |           | 156,855                             | 249,230                             |
| Dividend payable to unitholders                       | 12        | 86,909                              | -                                   |
| Other payables and accruals                           |           | 863,146                             | 815,846                             |
| <b>TOTAL LIABILITIES</b>                              |           | <u>67,150,293</u>                   | <u>18,314,594</u>                   |
| <b>NET ASSETS</b>                                     |           | <u>584,670,315</u>                  | <u>341,616,207</u>                  |
| <b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Note)</b>  |           | <u>584,670,315</u>                  | <u>341,616,207</u>                  |

Note: As at 31 December 2020, the redeemable units of the Sub-Fund were recognised as financial liability (2019: equity). Refer to note 2(n) for details.

For and on behalf of  
BOCI-Prudential Trustee Limited, Trustee

For and on behalf of  
Pickers Capital Management Limited, Manager

Trustee

Director

The notes on pages 12 to 44 are an integral part of these financial statements.

# CFund - China Equity

## (A Sub-Fund of CFund)

### Statement of Comprehensive Income

For the year ended 31 December 2020

|  |             | For the year ended<br>31 December<br>2020<br>HKD | For the period<br>from 2 January<br>2019 (date of<br>commencement<br>of operations)<br>to 31 December<br>2019<br>HKD |
|--|-------------|--|--|
|  | Notes       |  |  |
| <b>INCOME</b>  |             |  |  |
| Dividend income  |             | 1,008,603  | 5,654,358  |
| Interest income on bonds   |             | 404,052  | -  |
| Interest income on bank deposits   | 11(a)       | 139,550  | 101,518  |
| Net realised gain/(loss) on financial assets at fair value through profit or loss      |             | 81,775,431                                       | (9,562,881)  |
| Net change in unrealised gain on financial assets at fair value through profit or loss |             | 136,311,104                                      | 43,640,652   |
| Net exchange loss  |             | (915,438)  | (219,110)  |
| <b>TOTAL NET INCOME</b>  |             | <b>218,723,302</b>                               | <b>39,614,537</b>  |
| <b>EXPENSES</b>  |             |  |  |
| Management fee   | 11(c)       | 5,958,797  | 4,852,536  |
| Performance fee  | 11(d)       | 32,136,161                                       | 5,057,156  |
| Trustee fee  | 11(b)       | 595,060  | 495,655  |
| Custodian fee  | 11(f)       | 108,847  | 166,528  |
| Auditors' remuneration   |             | 180,000  | 150,000  |
| Transaction costs  |             | 1,764,730  | 2,330,007  |
| Establishment costs  |             | -  | 929,228  |
| Brokers commission expenses  |             | 1,480,576  | 1,523,731  |
| Legal and professional fee   |             | 46,676   | 319,166  |
| Transaction and handling fees  | 11(e),11(f) | 736,540  | 435,448  |
| Other general expenses   |             | 364,241  | 93,549   |
| <b>TOTAL OPERATING EXPENSES</b>  |             | <b>43,371,628</b>                                | <b>16,353,004</b>  |
| <b>PROFIT BEFORE TAX</b>   |             | <b>175,351,674</b>                               | <b>23,261,533</b>  |
| Withholding taxes  | 10          | 89,078   | 145,541  |
| <b>PROFIT AFTER TAX AND BEFORE DISTRIBUTION</b>  |             | <b>175,262,596</b>                               | <b>23,115,992</b>  |
| Distributions to unitholders   | 12          | (108,059)  | -  |
| <b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS (Note)</b>       |             | <b>175,154,537</b>                               | <b>23,115,992</b>  |

Note: During the period from 2 January 2019 (date of commencement of operations) to 15 June 2020, the increase in net assets attributable to unitholders for the Sub-Fund represented total comprehensive income. With effect from 16 June 2020 (date of subscription of Class A HKD (Distribution) units), the increase in net assets attributable to unitholders and distribution to unitholders have been classified as financial liabilities. Refer to note 2(n) for details.

The notes on pages 12 to 44 are an integral part of these financial statements.

## CFund - China Equity (A Sub-Fund of CFund)

Statement of Changes in Net Assets Attributable to Unitholders  
For the year ended 31 December 2020

|   |      | For the year ended<br>31 December<br>2020<br>HKD | For the period<br>from 2 January<br>2019 (date of<br>commencement<br>of operations)<br>to 31 December<br>2019<br>HKD |
|---|------|--|--|
|   | Note |  |  |
| <b>Net assets attributable to unitholders at the beginning of the year/period</b> |      | 341,616,207                                      | -  |
| Subscription of units   |      | 141,188,345                                      | 322,462,970  |
| Redemption of units   |      | (73,288,774)                                     | (3,962,755)  |
| <b>Net increase from transactions with unitholders</b>                            |      | <u>67,899,571</u>                                | <u>318,500,215</u>   |
| Profit after tax and before distribution (Note)                                   |      | 175,262,596                                      | 23,115,992   |
| Distribution to unitholders   | 12   | <u>(108,059)</u>                                 | <u>-</u>   |
| <b>Net assets attributable to unitholders at the end of the year/period</b>       |      | <u>584,670,315</u>                               | <u>341,616,207</u>   |

| <b>2020</b>  | <b><u>Class A HKD</u><br/><u>(Accumulation)</u><br/><u>Units</u></b> | <b><u>Class A HKD</u><br/><u>(Distribution)</u><br/><u>Units</u></b> | <b><u>Class A RMB</u><br/><u>(Accumulation)</u><br/><u>Units</u></b> |
|--|--|--|--|
| At the beginning of the year                             | 3,128,665.8987   | -  | -  |
| Subscriptions during the year                            | 881,271.1237   | 65,443.8432  | 30,701.7101  |
| Redemptions during the year                              | (563,749.0146)   | -  | -  |
| At the end of the year                                   | <u>3,446,188.0078</u>  | <u>65,443.8432</u>   | <u>30,701.7101</u>   |
| <b>2019</b>  | <b><u>Class A HKD</u><br/><u>(Accumulation)</u><br/><u>Units</u></b> | <b><u>Class A HKD</u><br/><u>(Distribution)</u><br/><u>Units</u></b> | <b><u>Class A RMB</u><br/><u>(Accumulation)</u><br/><u>Units</u></b> |
| As at 2 January 2019 (date of commencement of operation) | -  | -  | -  |
| Subscriptions during the period                          | 3,164,806.5712   | -  | -  |
| Redemptions during the period                            | (36,140.6725)  | -  | -  |
| At the end of the period                                 | <u>3,128,665.8987</u>  | <u>-</u>   | <u>-</u>   |

Note: During the period from 2 January 2019 (date of commencement of operations) to 15 June 2020, the increase in net assets attributable to unitholders for the Sub-Fund represented total comprehensive income. With effect from 16 June 2020 (date of subscription of Class A HKD (Distribution) units), the increase in net assets attributable to unitholders and distribution to unitholders have been classified as financial liabilities. Refer to note 2(n) for details.

The notes on pages 12 to 44 are an integral part of these financial statements.

# CFund - China Equity

## (A Sub-Fund of CFund)

Statement of Cash Flows  
For the year ended 31 December 2020

|  |       | For the<br>year ended<br>31 December<br>2020<br>HKD | For the period<br>from 2 January<br>2019 (date of<br>commencement<br>of operations)<br>to 31 December<br>2019<br>HKD |
|--|-------|---|--|
|  | Notes |   |  |
| <b>Cash flows from operating activities</b>                        |       |   |  |
| Profit before income tax   |       | 175,351,674   | 23,261,533   |
| Adjustments for:   |       |   |  |
| Interest Income on bank deposits                                   |       | (139,550)   | (101,518)  |
| Interest income on bonds   |       | (404,052)   | -  |
| Dividend income  |       | (1,008,603)   | (5,654,358)  |
| Withholding taxes  |       | 89,078  | 145,541  |
| Net exchange loss  |       | 915,438   | 219,110  |
| Operating income before working capital changes                    |       | 174,803,985   | 17,870,308   |
| Increase in financial assets at fair value through profit and loss |       | (211,113,886)                                       | (313,680,019)  |
| Increase in derivatives  |       | (9,981,735)   | (1,004,681)  |
| Decrease/(increase) in amounts due from brokers                    |       | 10,989,197  | (10,989,197)   |
| Increase in margin deposits – restricted                           | 8(a)  | (6,724,712)   | (9,563,733)  |
| Increase in cash collateral – restricted                           | 8(b)  | (10,944,183)  | -  |
| Decrease/(increase) in prepayment                                  |       | 3   | (11,047)   |
| Increase in management fee payable                                 |       | 241,177   | 444,298  |
| Increase in trustee fee payable                                    |       | 23,445  | 44,430   |
| Increase in amounts due to brokers                                 |       | 19,354,892  | 11,181,703   |
| Increase in performance fee payable                                |       | 27,104,574  | 5,005,342  |
| (Decrease)/Increase in accounts payable and accruals               |       | (33,441)  | 661,968  |
| <b>Cash used in operating activities</b>                           |       | (6,280,684)   | (300,040,628)  |
| Withholding taxes paid   |       | (97,415)  | (137,204)  |
| Dividend income received   |       | 1,006,999   | 5,626,568  |
| Interest income received on bank deposits                          |       | 139,550   | 101,518  |
| Interest Income received on bonds                                  |       | 404,052   | -  |
| <b>Net cash used in operating activities</b>                       |       | (4,827,498)   | (294,449,746)  |
| <b>Cash flows from financing activities</b>                        |       |   |  |
| Proceeds from subscription of units                                |       | 130,037,265   | 322,462,970  |
| Payments on redemption of units                                    |       | (73,381,149)  | (3,713,525)  |
| Distributions paid to unitholders                                  |       | (21,150)  | -  |
| <b>Net cash generated from financing activities</b>                |       | 56,634,966  | 318,749,445  |
| <b>Net increase in cash and cash equivalents</b>                   |       | 51,807,468  | 24,299,699   |
| Cash and cash equivalents at the beginning of the year/period      |       | 24,080,589  | -  |
| Net exchange loss  |       | (915,438)   | (219,110)  |
| <b>Cash and cash equivalents at the end of the year/period</b>     |       | 74,972,619  | 24,080,589   |
| <b>Analysis of Balances of Cash and Cash Equivalents:</b>          |       |   |  |
| Cash at bank   |       | 57,361,086  | 16,436,322   |
| Margin deposits - unrestricted                                     | 8(a)  | 10,365,874  | 7,644,267  |
| Cash collateral - unrestricted                                     | 8(b)  | 7,245,659   | -  |
|  |       | 74,972,619  | 24,080,589   |

The notes on pages 12 to 44 are an integral part of these financial statements.

# **CFund - China Equity**

## **(A Sub-Fund of CFund)**

Annual Report and Financial Statements  
For the year ended 31 December 2020

### **Notes to the Financial Statements**

#### **1. General information**

CFund (the “Fund”) is a unit trust established under the laws of Hong Kong by the Trust Deed dated 6 November 2018, as amended, the First Supplemental Deed dated 6 November 2018, the Second Supplemental Deed dated 31 December 2019, and the Third Supplemental Deed date 7 May 2020, made between Pickers Capital Management Limited as Manager (the “Manager”) and BOCI-Prudential Trustee Limited as Trustee (the “Trustee”). The Fund currently consists of one sub-fund, CFund – China Equity (the “Sub-Fund”), which commenced its operations on 2 January 2019. The Sub-fund has issued Class A HKD (Accumulation) units on 2 January 2019, Class A HKD (Distribution) units on 16 June 2020 and Class A RMB (Accumulation) units on 30 September 2020.

The Fund and the Sub-Fund have been authorised by the Securities and Futures Commission of Hong Kong (“SFC”) under Section 104 of the Securities and Futures Ordinance of Hong Kong and are required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC of Hong Kong (“the Code”) on 3 December 2018.

The investment objective of the Sub-Fund is to provide long-term capital appreciation by primarily investing in listed equities with a China focus. There can be no assurance that the Sub-Fund will achieve its investment objective. The Sub-Fund seeks to achieve its objective primarily through exposure to companies established in China or those which, whilst established outside China, derive a significant proportion of their revenue or profits from business related to China. The Sub-Fund makes investments into companies that, in the Manager’s opinion, have been undervalued by the market. There is no restriction on market capitalisations or industries in relation to the equity securities in which the Sub-Fund may invest.

For the period from 2 January 2019 (date of commencement of operations) to 30 December 2019, the principal investments of Sub-Fund primarily were stocks listed in Hong Kong, Shanghai and/or Shenzhen. Generally, the asset allocation strategy was that at least 70% of the Sub-Fund’s non cash assets would be invested in stocks listed in Hong Kong of companies established in China or those which, whilst established outside China, derived a significant proportion of their revenue or profits from business related to China, and 0% to 20% of the Sub-Fund’s non cash assets would be invested in stocks listed in Shanghai and/or Shenzhen (including stocks in the ChiNext market and/or stocks listed on the Small and Medium Enterprise Board).

Starting from 31 December 2019, pursuant to the Explanatory Memorandum, the principal investment of the Sub-Fund has been amended and approved. Under normal circumstances, the asset allocation strategy is that at least 70% of the Sub-Fund’s Net Asset Value will be invested in stocks of companies established in China or those which, whilst established outside China, derive a significant proportion of their revenue or profits from business related to China (including but not limited to investment in depositary receipts such as American Depositary Receipts), and, subject to an overall upper limit on onshore China exposure of 20% of the Sub-Fund’s Net Asset Value, up to 20% of the Sub-Fund’s Net Asset Value will be invested directly or indirectly in stocks listed in Shanghai (including stocks listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange and/or Shenzhen (including stocks in the ChiNext market and/or stocks listed on the Small and Medium Enterprise Board). Exposure to A-shares and B-shares may be obtained in different ways, including indirect exposure (such as through investing in exchange-traded funds and/or other funds that invest in the relevant China listed shares and/or derivative instruments such as swaps), and direct exposure (in the case of A-shares, such as via the Shanghai Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (together, the “Stock Connect”), and/or other relevant programmes when such other relevant programmes become available). Investments in exchange-traded funds by the Sub-Fund are considered and treated as listed securities for the purposes of and subject to the requirements in Chapters 7.1, 7.1A and 7.2 of the Code on Unit Trusts and Mutual Funds issued by the SFC.

# **CFund - China Equity**

## **(A Sub-Fund of CFund)**

Annual Report and Financial Statements  
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### **Notes to the Financial Statements**

#### **1. General information – (continued)**

In addition to the above mentioned principal investment of the Sub-Fund, starting from 31 December 2019, pursuant to the Explanatory Memorandum revised on 31 December 2019, the Sub-Fund may invest up to 30% of its Net Asset Value in bonds, including fixed income securities that are investment grade, below investment grade (i.e. below BBB-/Baa3 by an internationally recognised credit rating agency, such as Standard & Poor's, Moody's and/or Fitch) and unrated (meaning neither the security itself nor its issuer has a credit rating) and convertible bonds. Exposure to bonds may also be obtained indirectly through investing in ETFs that invest in bonds.

Subject to an overall upper limit on onshore PRC exposure of 20% of the Sub-Fund's Net Asset Value, the Sub-Fund may invest up to 20% of its Net Asset Value in onshore China debt securities via the Bond Connect (as defined below) and may invest up to 10% of its Net Asset Value in urban investment bonds. Urban investment bonds are debt instruments issued by local government financing vehicles ("LGFVs") in the China listed bond and interbank bond market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.

The Sub-Fund may use derivatives for hedging and/or investment purposes provided that such investments shall comply with the investment restrictions set out in Chapter 7 of the Code. (notwithstanding this, derivatives will not be extensively or primarily used for investment purposes). The derivative instruments used by the Sub-Fund for investment purposes will broadly fall under three categories: (i) participatory notes, which do not create any leverage and are used primarily for accessing the A-share market, B-share market and Taiwan; (ii) exchange-traded or over-the counter futures contracts and options, which create leverage and are used primarily for gaining market exposure in a timely and cost effective manner (e.g. during times of large subscription inflow or in the event of sharp market movements); and (iii) swaps that do not create leverage and used primarily for market access such as the A-Share market, B-Share market and Taiwan. Consistent with the investment restrictions applicable to the Sub-Fund, the Sub-Fund's net derivative exposure may be up to 50% of the its Net Asset Value. The Sub-Fund may take short positions through derivatives for hedging purposes only.

# **CFund - China Equity**

## **(A Sub-Fund of CFund)**

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### **Notes to the Financial Statements**

#### **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 the year/period presented, unless otherwise stated.

##### **(a) Basis of preparation**

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued and the relevant disclosure provisions specified in Appendix E to the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong (the "SFC Code").

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and derivatives which are measured at fair value through profit or loss. The financial statements are presented in Hong Kong dollars ("HK\$").

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee to exercise their judgement in the process of applying the Sub-Fund's accounting policies. The areas involving a higher degree of judgement or complexity, and areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

##### *Standards and amendments to existing standards effective 1 January 2020*

The Sub-Fund has applied the following standards, amendments to standards or interpretations for their annual reporting period commencing 1 January 2020:

- (i) Definition of Material – amendments to IAS1 and IAS8
- (ii) Revised Conceptual framework for Financial Reporting

The standards, amendments to standards or interpretations listed above did not have any material impact on the financial statements of the Sub-Fund.

##### *New standards, amendments and interpretations effective after 1 January 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 January 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 Sub-Fund.



## **CFund - China Equity**

### **(A Sub-Fund of CFund)**

Annual Report and Financial Statements  
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#### **Notes to the Financial Statements**

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

#### **(a) Investments**

##### **(i) Assets**

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. Consequently, all investments are measured at fair value through profit or loss.

##### **(ii) Liabilities**

The Sub-Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Sub-Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

#### Recognition, derecognition and measurement

Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gains and losses on investments are included in the statement of comprehensive income in the period in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

When the Sub-Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an assets. When the Sub-Fund writes an option, an amount equal to fair value which is based on the premium received by the Sub-Fund recorded as liability. When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognised as a gain or loss and is presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss.

## **CFund - China Equity**

### **(A Sub-Fund of CFund)**

Annual Report and Financial Statements  
For the year ended 31 December 2020

#### **Notes to the Financial Statements**

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

#### **(b) Investments – (continued)**

##### Recognition, derecognition and measurement (continued)

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

##### 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 are based on quoted market prices at the close of trading on the reporting date.

Investments that are listed or traded on an exchange are fair valued based on quoted last traded prices.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over the counter derivatives) determined using valuation techniques. The Sub-Fund uses a variety of methods and makes conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

#### **(c) Derivatives**

Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Subsequent changes in the fair value of any derivative instrument are recognised immediately in the statement of comprehensive income.

#### **(d) Transaction costs**

Transaction and transaction handling costs (together the "transaction costs") are costs incurred to acquire/dispose financial assets or liabilities at fair value through profit or loss. They include the fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expense.

## **CFund - China Equity**

### **(A Sub-Fund of CFund)**

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#### **Notes to the Financial Statements**

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

#### **(e) Foreign currency translation**

##### **(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the "functional currency"). The performance of the Sub-Fund is measured and reported to the unitholders in Hong Kong Dollar ("HK\$"). The Manager considers Hong Kong Dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Hong Kong Dollar, which is the Sub-Fund's functional and presentation currency.

##### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the period end date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within "Net exchange 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 change in unrealised gain/(loss) on financial assets at fair value through profit or loss" and "Net realised gain/(loss) on financial assets at fair value through profit or loss".

#### **(f) Cash and cash equivalents**

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

#### **(g) Margin accounts**

Margin accounts represent margin deposits held in respect of open exchange-traded futures contracts.

#### **(h) Collateral**

Cash collateral provided by the Fund is identified in the statement of financial position as margin cash and is not included as a component of cash and cash equivalents. The cash collateral is provided for the swap trades derivatives with broker. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Sub-Fund classifies that asset in its statement of financial position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

## **CFund - China Equity**

### **(A Sub-Fund of CFund)**

Annual Report and Financial Statements  
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#### **Notes to the Financial Statements**

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

##### **(i) Amounts due from/to brokers**

Amounts due from brokers represent receivables for securities sold that have been contracted for but not yet settled on the statement of financial position date.

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for but not yet delivery on the statement of financial position date. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

##### **(j) 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 company or the counterparty.

##### **(k) Accounts receivables**

Accounts receivables 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 brokers 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 brokers, probability that the brokers 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 the 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.

##### **(l) Accounts payables and accruals**

Accounts payables and accruals are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

## **CFund - China Equity**

### **(A Sub-Fund of CFund)**

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#### **Notes to the Financial Statements**

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

#### **(m) Investment Income and expenses**

Dividend income is recognised on the ex-dividend date with the corresponding foreign withholding taxes recorded as a taxation charge.

Interest income is recognised on a time-proportion basis using the effective interest method. Expenses are accounted for on an accrual basis.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Sub-Fund's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income. Dividend expense on short assets of equity securities is included within other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss.

#### **(n) Redeemable units**

The Sub-Fund's redeemable units, which are redeemable at the holder's option, represents puttable financial instruments. Puttable financial instruments are classified as equity in accordance with IAS 32 (Amendment), "Financial instruments: Presentation" if they meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the Sub-Fund.

Otherwise, puttable financial instruments are classified as financial liability.

For the period from 2 January 2019 to 15 June 2020, the Sub-Fund has Class A HKD (Accumulation) redeemable units issued, which were classified as equities.

As at year ended 31 December 2020, the Sub-Fund has Class A HKD (Accumulation), Class A HKD (Distribution) and Class A RMB (Accumulation) units issued, which were subject to different terms as disclosed herein. The redeemable units have been classified as financial liabilities in accordance with HKAS 32.

The redeemable units of the Sub-Fund are issued or redeemed at the holder's option at prices based on the Sub-Funds' net asset value per unit as at the close of business on the relevant dealing day. The Sub-Fund net asset value per unit is calculated by dividing the net assets attributable to the unitholders with the total number of outstanding units.

## **CFund - China Equity**

### **(A Sub-Fund of CFund)**

Annual Report and Financial Statements  
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#### **Notes to the Financial Statements**

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

##### **(o) Taxation**

The Sub-Fund currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income.

Withholding taxes are included as taxation in the statement of comprehensive income.

##### **(p) Establishment costs**

Establishment costs are recognised as an expense in the period in which they are incurred.

##### **(q) Unconsolidated 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 its investments in other funds (“Investee Funds”) to be investments in unconsolidated structured entities. The Sub-Fund invests in Investee Funds whose objectives range from achieving medium to long term capital growth and whose investment strategy does not include the use of leverage. The Investee Funds are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable shares which are puttable at the holder’s option and entitles the holder to a proportional stake in the respective fund’s net assets. The Sub-Fund holds redeemable shares in each of its Investee Funds.

The change in fair value of each Investee Fund is included in the statement of comprehensive income in “Net change in unrealised gain/loss on financial assets at fair value through profit or loss”.

# CFund - China Equity

## (A Sub-Fund of CFund)

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### Notes to the Financial Statements

#### 3 Financial risk management

The Sub-Fund is exposed to a variety of risks including but not limited to market price risk, cash flow and fair value interest rate risk, currency risk, credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

The following is a summary of the main risks and risk management policies.

##### 3.1 Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All investments present a risk of loss of capital. The Manager moderates this risk through a diversified portfolio of investment and deliberate securities selection across different sectors in accordance with the investment objective of the Sub-Fund. The Sub-Fund will not invest in more than 10 per cent of the net asset value in the securities of a single issuer and will not invest in more than 20 per cent of the net asset value in the securities of a group companies. The Manager monitors the risk on a regular basis and rebalances the portfolio of investment from time to time to reflect any change to the composition or the weighting.

The following table discloses the investments of the Sub-Fund by product type as at 31 December 2020 and 2019.

|  | 2020<br>HKD        | 2019<br>HKD        |
|--|--------------------|--------------------|
| <b>Financial assets at fair value through profit or loss</b>                 |                    |                    |
| Listed investments   |                    |                    |
| - Equities   | 512,378,207        | 254,398,563        |
| - Exchange-traded funds  | 5,815,972          | 59,281,456         |
| - Debt securities  | 6,599,726          | -                  |
|  | <u>524,793,905</u> | <u>313,680,019</u> |
| - Derivatives  |                    |                    |
| - Listed futures   | 3,833,366          | 1,578,426          |
| - Listed options   | 386,610            | -                  |
| - Quoted warrants  | 3,086,500          | -                  |
| - Quoted equity swaps  | 6,323,462          | -                  |
|  | <u>13,629,938</u>  | <u>1,578,426</u>   |
| <b>Financial liabilities at fair value through profit or loss</b>            |                    |                    |
| - Derivatives  |                    |                    |
| - Listed futures   | (2,643,522)        | (573,745)          |
| <b>Financial assets and liabilities at fair value through profit or loss</b> | <u>535,780,321</u> | <u>314,684,700</u> |

## CFund - China Equity

### (A Sub-Fund of CFund)

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#### Notes to the Financial Statements

### 3 Financial risk management (Continued)

#### 3.1 Market price risk (Continued)

The following table discloses the equities, exchange-traded funds and debt securities portfolio investments of the Sub-Fund by geographical sectors as at 31 December 2020 and 2019:

|                              |      | 2020                            |                      | 2019                            |                      |
|------------------------------|------|---------------------------------|----------------------|---------------------------------|----------------------|
|                              | Note | Fair value of investment<br>HKD | % of net asset value | Fair value of investment<br>HKD | % of net asset value |
| <b>Listed equities</b>       |      |                                 |                      |                                 |                      |
| Hong Kong                    |      | 220,718,105                     | 37.75%               | 179,644,391                     | 52.59%               |
| China                        |      | 101,761,985                     | 17.40%               | 48,206,884                      | 14.11%               |
| United States                |      | 72,754,841                      | 12.44%               | 26,547,288                      | 7.77%                |
| United States - ADR          |      | 117,143,276                     | 20.04%               | -                               | -                    |
|                              |      | <u>512,378,207</u>              | <u>87.63%</u>        | <u>254,398,563</u>              | <u>74.47%</u>        |
| <b>Exchange-traded funds</b> |      |                                 |                      |                                 |                      |
| Hong Kong                    |      | -                               | -                    | 18,717,575                      | 5.48%                |
| United States                |      | 5,815,972                       | 0.99%                | 40,563,881                      | 11.87%               |
|                              |      | <u>5,815,972</u>                | <u>0.99%</u>         | <u>59,281,456</u>               | <u>17.35%</u>        |
| <b>Debt securities</b>       |      |                                 |                      |                                 |                      |
| China                        |      | 6,599,726                       | 1.13%                | -                               | -                    |
| <b>Sub-total</b>             |      | <u>524,793,905</u>              | <u>89.75%</u>        | <u>313,680,019</u>              | <u>91.82%</u>        |
| <b>Futures</b>               |      |                                 |                      |                                 |                      |
| Hong Kong                    |      | (662,372)                       | (0.11%)              | (403,645)                       | (0.12%)              |
| Singapore                    |      | -                               | -                    | 87,582                          | 0.03%                |
| United States                |      | 1,852,216                       | 0.32%                | 1,320,744                       | 0.39%                |
|                              | 6    | <u>1,189,844</u>                | <u>0.21%</u>         | <u>1,004,681</u>                | <u>0.30%</u>         |
| <b>Options</b>               |      |                                 |                      |                                 |                      |
| Hong Kong                    | 6    | <u>386,610</u>                  | <u>0.07%</u>         | <u>-</u>                        | <u>-</u>             |
| <b>Warrants</b>              |      |                                 |                      |                                 |                      |
| Hong Kong                    | 6    | <u>3,086,500</u>                | <u>0.53%</u>         | <u>-</u>                        | <u>-</u>             |
| <b>Equity swaps</b>          |      |                                 |                      |                                 |                      |
| China                        |      | 5,852,323                       | 1.00%                | -                               | -                    |
| Taiwan                       |      | 471,139                         | 0.08%                | -                               | -                    |
|                              | 6    | <u>6,323,462</u>                | <u>1.08%</u>         | <u>-</u>                        | <u>-</u>             |
| <b>Total</b>                 |      | <u><u>535,780,321</u></u>       | <u><u>91.64%</u></u> | <u><u>314,684,700</u></u>       | <u><u>92.12%</u></u> |



## CFund - China Equity (A Sub-Fund of CFund)

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### Notes to the Financial Statements

#### 3 Financial risk management (Continued)

##### 3.1 Market price risk (Continued)

The following table discloses the equities portfolio investments of the Sub-Fund by industrial sectors as at 31 December 2020 and 2019:

|                            | 2020                            |                      | 2019                            |                      |
|----------------------------|---------------------------------|----------------------|---------------------------------|----------------------|
|                            | Fair value of investment<br>HKD | % of net asset value | Fair value of investment<br>HKD | % of net asset value |
| <b>Listed equities</b>     |                                 |                      |                                 |                      |
| Consumer discretionary     | 165,637,267                     | 28.33%               | 94,868,167                      | 27.77%               |
| Consumer staples           | 33,929,093                      | 5.80%                | 28,014,761                      | 8.20%                |
| Energy                     | -                               | -                    | 2,572,780                       | 0.75%                |
| Financials                 | 22,353,942                      | 3.82%                | 46,587,374                      | 13.64%               |
| Health care                | 85,721,023                      | 14.66%               | 23,303,465                      | 6.82%                |
| Industrials                | 59,196,154                      | 10.12%               | 11,774,700                      | 3.45%                |
| Information technology     | 81,358,024                      | 13.92%               | 15,838,126                      | 4.64%                |
| Materials                  | 1,407,520                       | 0.24%                | -                               | -                    |
| Real estate                | 25,384,677                      | 4.34%                | 18,148,550                      | 5.31%                |
| Telecommunication services | 37,390,507                      | 6.40%                | 13,290,640                      | 3.89%                |
|                            | <u>512,378,207</u>              | <u>87.63%</u>        | <u>254,398,563</u>              | <u>74.47%</u>        |

As at 31 December 2020 and 2019, there was no investment in a single issuer of more than 10% of net asset value of the Sub-Fund and there was no investment in a group company of more than 20% of net asset value of the Sub-Fund.

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-Fund might suffer through holding market positions in the face of unfavourable price movements. In seeking to achieve the long-term capital appreciation investment objective of the Sub-Fund, the Manager adopts its value investing approach and will not be restricted by any particular benchmark index in the selection of securities and construction of the Sub-Fund's portfolio.

The table below summarises the sensitivity of the Sub-Fund's investment in listed equities and exchange-traded fund to the benchmark index, Hang Seng Index. The analysis is based on the assumptions that the benchmark index increased/decreased with all other variables held constant and that the Sub-Fund's investment portfolio moved according to their historical correlation with the Hang Seng index. The Manager does not manage price risk with reference to any market index. The benchmark index used below is for guidance and performance comparison only. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material.

|                        | Estimated changes in %<br>+/- | Effect on investment portfolio and on profit/(loss) for the period<br>HK\$<br>+/- |
|------------------------|-------------------------------|---|
| As at 31 December 2020 |                               |   |
| Hang Seng Index        | 23.30                         | 79,103,792  |
| As at 31 December 2019 |                               |   |
| Hang Seng Index        | 15.60                         | 31,559,442  |

## **CFund - China Equity**

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#### **Notes to the Financial Statements**

### **3 Financial risk management (Continued)**

#### **3.1 Market price risk (Continued)**

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative.

#### **3.2 Interest rate risk**

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

As the Sub-Fund has no significant interest-bearing financial assets apart from bank balances and margin deposits, the Sub-Fund's income and operating cash flow are substantially independent of changes in market interest rates and Management currently considers the Sub-Fund's exposure to interest rate risk to be insignificant. All cash and cash equivalents and margin deposits are short-term with maturity less than three months. Receivables and payables are interest-free and have settlement date less than 1 year.

As at 31 December 2020 and 2019, the Sub-Fund had cash and cash equivalents of HK\$57,361,086 (2019: HK\$16,436,322), margin deposits of HK\$26,654,319 (2019: HK\$17,208,000) and cash collateral HK\$18,189,842 (2019: HK\$Nil). If interest rates had been 10 basis points higher or lower with all other variables held constant, total comprehensive income would have been HK\$102,205 (2019: HK\$33,644) higher or lower as at 31 December 2020 and 2019.

As at 31 December 2020 and 2019, the Sub-Fund had debt securities of HK\$6,599,726 (2019: HK\$Nil). If interest rates had been 10 basis point higher or lower with all other variables held constant, total comprehensive income would have been HK\$26,217 (2019: HK\$Nil) higher or lower as at 31 December 2020 and 2019.

#### **3.3 Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund has assets and liabilities denominated in currencies other than HKD, the Sub-Fund's functional and presentation currency. The Sub-Fund is therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Sub-Fund has net financial assets of HK\$242,362,059 (2019: HK\$70,771,448) denominated in United States dollars, which is pegged to the HKD and hence, the Sub-Fund does not consider its currency risk related to United States dollars to be significant.

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### 3 Financial risk management (Continued)

#### 3.3 Currency risk (continued)

The table below summarises the Fund's monetary and non-monetary exposure to different major currency:

|     | <u>2020</u>                    |                                    | <u>2019</u>                    |                                    |
|-----|--------------------------------|------------------------------------|--------------------------------|------------------------------------|
|     | Monetary<br>HKD<br>equivalents | Non-Monetary<br>HKD<br>equivalents | Monetary<br>HKD<br>equivalents | Non-Monetary<br>HKD<br>Equivalents |
| CNY | (3,032,997)                    | 101,637,913                        | 5,097,650                      | 48,206,885                         |

The table below summarises the impact on net assets attributable to unitholders as a result of increases/decreases of key exchange rates on the exposures tabled above. The analysis is based on the assumption that the exchange rate had increased / decreased by 5% with all other variables held constant.

|     |               | <u>2020</u>                           |   | <u>2019</u>                           |   |
|-----|---------------|---------------------------------------|---|---------------------------------------|---|
|     | Change<br>+/- | Monetary<br>HKD<br>equivalents<br>+/- | Non-Monetary<br>HKD<br>equivalents<br>+/- | Monetary<br>HKD<br>equivalents<br>+/- | Non-Monetary<br>HKD<br>Equivalents<br>+/- |
| CNY | 5%            | (151,650)                             | 5,081,896                                 | 254,883                               | 2,410,344                                 |

#### 3.4 Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

The Sub-Fund is exposed to credit and counterparty risk on dividend receivables, amounts due from brokers, margin deposits, and bank balances.

The Sub-Fund limits its exposure to credit risk by transacting the majority of its investments and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Trustee and the Manager consider to be well established.

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2020 and 2019, all dividend receivables, amounts due from brokers, receivables on subscriptions, margin deposits, cash collateral and bank balances are held with counterparties with a credit rating of A- (2019: A-) or higher are due to be settled within 1 month. Except for cash collateral and the other financial assets at amortised cost are due to be settled within 6 month. 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.

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### 3 Financial risk management (Continued)

#### 3.4 Credit and counterparty risk (Continued)

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

The table below summarises the exposures to the Sub-Fund's counterparty as at 31 December 2020 and 2019 together with its credit rating:

| At 31 December 2020  | HKD         | Credit rating        | Source of credit rating        |
|--|-------------|----------------------|--------------------------------|
| <b>Financial assets at fair value through profit or loss and derivatives</b> |             |                      |                                |
| Bank of China (Hong Kong) Limited  | 527,880,405 | A+                   | Standard & Poor's              |
| Morgan Stanley & Co. International PLC                                       | 7,899,916   | A+                   | Standard & Poor's              |
| <b>Margin deposits and cash collateral</b>                                   |             |                      |                                |
| Morgan Stanley & Co. International PLC                                       | 44,844,161  | A+                   | Standard & Poor's              |
| <b>Cash and cash equivalents</b>   |             |                      |                                |
| Bank of China (Hong Kong) Limited  | 57,361,086  | A+                   | Standard & Poor's              |
| <b>At 31 December 2019</b>   | <b>HKD</b>  | <b>Credit rating</b> | <b>Source of credit rating</b> |
| <b>Financial assets at fair value through profit or loss and derivatives</b> |             |                      |                                |
| Bank of China (Hong Kong) Limited  | 313,680,019 | A+                   | Standard & Poor's              |
| Morgan Stanley & Co. International PLC                                       | 822,699     | A+                   | Standard & Poor's              |
| Goldman Sachs International  | 181,982     | A+                   | Standard & Poor's              |
| <b>Amounts due from brokers</b>  |             |                      |                                |
| Morgan Stanley & Co. International PLC                                       | 10,989,197  | A+                   | Standard & Poor's              |
| <b>Margin deposits</b>   |             |                      |                                |
| Morgan Stanley & Co. International PLC                                       | 6,266,079   | A+                   | Standard & Poor's              |
| Goldman Sachs International  | 10,941,921  | A+                   | Standard & Poor's              |
| <b>Cash and cash equivalents</b>   |             |                      |                                |
| Bank of China (Hong Kong) Limited  | 16,436,322  | A+                   | Standard & Poor's              |

The maximum exposure to credit risk as at 31 December 2020 and 2019 is the carrying amount of the financial assets as shown on the statement of net assets. The Manager considers that none of these assets are impaired nor past due but not impaired.

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#### 3 Financial risk management (Continued)

##### 3.5 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 daily cash redemption from unitholders. In accordance with the Explanatory Memorandum, with a view to protecting the interests of all unitholders, the Manager may, with the approval of the Trustee, limit the number of units redeemed on any redemption day (whether by sale to the Manager or by cancellation of units) to 10% of the total number of units in issue.

The Manager manages liquidity risk by maintaining sufficient cash and marketable securities to meet the normal operating commitments. Cash and cash equivalents have maturity of less than three months and the majority of the Sub-Fund's investments are traded in active markets and can be readily disposed of.

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

|  | <b>2020</b><br><b>Less than</b><br><b>3 months</b><br><b>HKD</b> | <b>2019</b><br><b>Less than</b><br><b>3 months</b><br><b>HKD</b> |
|--|--|--|
| Management fee payable                 | 685,475  | 444,298  |
| Performance fee payable                | 32,109,916   | 5,005,342  |
| Trustee fee payable                    | 67,875   | 44,430   |
| Amounts due to brokers                 | 30,536,595   | 11,181,703   |
| Amounts payable on redemption of units | 156,855  | 249,230  |
| Other payables and accruals            | 863,146  | 815,846  |
| Dividend payable to unitholders        | 86,909   | -  |
| Net asset attributable to unitholders  | 584,670,315  | -  |
|  | <u>649,177,086</u>   | <u>17,740,849</u>  |

As at 31 December 2020, the total assets of the Sub-Fund amounted to HK\$651,280,608 (2019: HK\$359,930,801). The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 1 month or less.

At 31 December 2020, 2 unitholders held 71% and 27% (2019: 80% and 20%) of the Sub-Fund's units on nominee basis respectively.

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#### 3 Financial risk management (Continued)

##### 3.6 Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 December 2020 and 2019, the Sub-Fund was subject to master netting arrangements for the derivative assets and liabilities of the Sub-Fund held with these counterparties. The margin balance maintained by the Sub-Fund is for the purposes of providing collateral on derivative positions.

The following table presents the Sub-Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The table is presented by type of financial instrument.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

|                               | A  | B  | C=A-B  | D  |                 | E=C-D             |
|-------------------------------|--|--|--|--|-----------------|-------------------|
|                               |  |  |  | Related amounts not set-off in the statement of financial position |                 | Net amount        |
|                               |  |  |  | D(i)   | D(ii)           |                   |
|                               |  |  |  | Financial instruments  | Cash collateral |                   |
|                               | Gross amounts of recognised financial assets | Gross amounts of recognised financial liabilities set-off in the statement of financial position | Net amounts of financial assets presented in the statement of financial position |  |                 |                   |
|                               | HKD  | HKD  | HKD  | HKD  | HKD             | HKD               |
| <b>As at 31 December 2020</b> |  |  |  |  |                 |                   |
| Derivatives                   | 13,629,938                                   | -  | 13,629,938   | 2,643,522  | -               | 10,986,416        |
| Margin deposits               | 26,654,319                                   | -  | 26,654,319   | -  | -               | 26,654,319        |
| Cash collateral               | 18,189,842                                   | -  | 18,189,842   | -  | -               | 18,189,842        |
|                               | <u>58,474,099</u>                            | <u>-</u>   | <u>58,474,099</u>  | <u>2,643,522</u>   | <u>-</u>        | <u>55,830,577</u> |
| <b>As at 31 December 2019</b> |  |  |  |  |                 |                   |
| Derivatives                   | 1,578,426                                    | -  | 1,578,426  | 573,745  | -               | 1,004,681         |
| Margin deposits               | 17,208,000                                   | -  | 17,208,000   | -  | -               | 17,208,000        |
|                               | <u>18,786,426</u>                            | <u>-</u>   | <u>18,786,426</u>  | <u>573,745</u>   | <u>-</u>        | <u>18,212,681</u> |

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## (A Sub-Fund of CFund)

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#### 3 Financial risk management (Continued)

##### 3.6 Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

|                               | A   | B   | C=A-B   | D  |                 | E=C-D      |
|-------------------------------|---|---|---|--|-----------------|------------|
|                               |   |   |   | Related amounts not set-off in the statement of financial position |                 | Net amount |
|                               |   |   |   | D(i)   | D(ii)           |            |
|                               |   |   |   | Financial instruments  | Cash collateral |            |
|                               | Gross amounts of recognised financial liabilities | Gross amounts of recognised financial assets set-off in the statement of financial position | Net amounts of financial liabilities presented in the statement of financial position |  |                 |            |
|                               | HKD   | HKD   | HKD   | HKD  | HKD             | HKD        |
| <b>As at 31 December 2020</b> |   |   |   |  |                 |            |
| Derivatives                   | 2,643,522   | -   | 2,643,522   | 2,643,522  | -               | -          |
|                               | <u>2,643,522</u>                                  | <u>-</u>  | <u>2,643,522</u>  | <u>2,643,522</u>   | <u>-</u>        | <u>-</u>   |
|                               | <u>2,643,522</u>                                  | <u>-</u>  | <u>2,643,522</u>  | <u>2,643,522</u>   | <u>-</u>        | <u>-</u>   |
| <b>As at 31 December 2019</b> |   |   |   |  |                 |            |
| Derivatives                   | 573,745   | -   | 573,745   | 573,745  | -               | -          |
|                               | <u>573,745</u>                                    | <u>-</u>  | <u>573,745</u>  | <u>573,745</u>   | <u>-</u>        | <u>-</u>   |
|                               | <u>573,745</u>                                    | <u>-</u>  | <u>573,745</u>  | <u>573,745</u>   | <u>-</u>        | <u>-</u>   |

Amount in D(i) and D(ii) above relate to amounts to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in (A) which have not been offset in the statement of financial position and (ii) any financial collateral (including cash collateral), both received and pledged.

The Sub-Fund and its counterparties have elected to settle all transactions on a gross basis. However, each party has the option to settle all open contracts on a net basis in the event of default of the other party. Per the terms of the master netting agreement, an event of default includes the following:

- failure by a party to make payment when due;
- bankruptcy.

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#### **Notes to the Financial Statements**

### **3 Financial risk management (Continued)**

#### **3.7 Fair value estimation**

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the period end date. The Sub-Fund adopted IFRS 13, 'Fair value measurement', and utilises the last traded market price for both financial assets and financial liabilities.

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

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

IFRS 13 requires the Sub-Fund to 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 (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).

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

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



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### 3 Financial risk management (Continued)

#### 3.7 Fair value estimation (Continued)

The following tables analyse within the fair value hierarchy the Sub-Fund's investments at 31 December 2020 and 2019:

| As at 31 December 2020  | Level 1<br>HKD     | Level 2<br>HKD   | Level 3<br>HKD | Total<br>HKD       |
|---|--------------------|------------------|----------------|--------------------|
| <b>Assets</b>   |                    |                  |                |                    |
| <b>Financial assets at fair value through profit or loss</b>      |                    |                  |                |                    |
| Listed equities   | 395,234,931        | -                | -              | 395,234,931        |
| Listed equities - ADR   | 117,143,276        | -                | -              | 117,143,276        |
| Exchange-traded funds   | 5,815,972          | -                | -              | 5,815,972          |
| Listed debt securities  | 6,599,726          | -                | -              | 6,599,726          |
|   | <u>524,793,905</u> | <u>-</u>         | <u>-</u>       | <u>524,793,905</u> |
| <b>Derivatives</b>  |                    |                  |                |                    |
| - Listed futures  | 3,833,366          | -                | -              | 3,833,366          |
| - Listed options  | 386,610            | -                | -              | 386,610            |
| - Quoted warrants   | -                  | 3,086,500        | -              | 3,086,500          |
| - Quoted equity swap  | -                  | 6,323,462        | -              | 6,323,462          |
|   | <u>4,219,976</u>   | <u>9,409,962</u> | <u>-</u>       | <u>13,629,938</u>  |
| <b>Total</b>  | <u>529,013,881</u> | <u>9,409,962</u> | <u>-</u>       | <u>538,423,843</u> |
| <b>Liabilities</b>  |                    |                  |                |                    |
| <b>Financial liabilities at fair value through profit or loss</b> |                    |                  |                |                    |
| <b>Derivatives</b>  |                    |                  |                |                    |
| - Listed futures  | (2,643,522)        | -                | -              | (2,643,522)        |
| <b>Total</b>  | <u>(2,643,522)</u> | <u>-</u>         | <u>-</u>       | <u>(2,643,522)</u> |

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### 3 Financial risk management (Continued)

#### 3.7 Fair value estimation (Continued)

| As at 31 December 2019                                       | Level 1<br>HKD     | Level 2<br>HKD | Level 3<br>HKD | Total<br>HKD       |
|--|--------------------|----------------|----------------|--------------------|
| <b>Assets</b>  |                    |                |                |                    |
| <b>Financial assets at fair value through profit or loss</b> |                    |                |                |                    |
| Listed equities  | 254,398,563        | -              | -              | 254,398,563        |
| Exchange-traded funds  | 59,281,456         | -              | -              | 59,281,456         |
|  | <u>313,680,019</u> | <u>-</u>       | <u>-</u>       | <u>313,680,019</u> |
| <b>Derivatives</b>   |                    |                |                |                    |
| Listed futures   | 1,578,426          | -              | -              | 1,578,426          |
|  | <u>315,258,445</u> | <u>-</u>       | <u>-</u>       | <u>315,258,445</u> |
| <b>Liabilities</b>   |                    |                |                |                    |
| <b>Financial assets at fair value through profit or loss</b> |                    |                |                |                    |
| <b>Derivatives</b>   |                    |                |                |                    |
| Listed futures   | (573,745)          | -              | -              | (573,745)          |
|  | <u>(573,745)</u>   | <u>-</u>       | <u>-</u>       | <u>(573,745)</u>   |

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## **3 Financial risk management (Continued)**

### **3.7 Fair value estimation (Continued)**

The investments classified in level 1 were fair valued based on quoted market price in an active market.

Investments that trade in markets that are not considered to be active and are priced by the market maker supported by observable inputs are classified within level 2.

Investments that trade in markets that are not considered to be active and are priced by the market maker based on unobservable inputs are classified within level 3.

Investments included within level 2 of the fair value hierarchy include investments in quoted equity swaps and quoted warrants. The swaps have been fair valued based on the difference between quoted market prices of the securities underlying and contract price. Warrants have been fair valued based on the quoted market prices of the securities underlying. The Sub-Fund did not invest in any level 3 investments during the year ended 31 December 2020 and the period from 2 January 2019 (date of commencement of operations) to 31 December 2019.

There were no transfers between levels during the year ended 31 December 2020 and 2019.

The assets and liabilities included in the statement of net assets, other than financial assets and liabilities at fair value through profit or loss, are carried at amortised cost; their carrying values are a reasonable approximation of fair value. There are no other assets or liabilities not at fair value but for which fair value is disclosed.

### **3.8 Capital risk management**

The Sub-Fund's capital 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, as well as changes resulting from the Sub-Fund's performance. The Sub-Fund strives to invest the subscriptions in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

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 units in accordance with the Trust Deed of the Sub-Fund.

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

## **4 Significant accounting judgements and estimates**

The preparation of the Sub-Fund's financial statements requires management to make judgments, estimates and assumptions that affect the 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.

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#### 4 Significant accounting judgements and estimates (Continued)

##### Fair value of unlisted investments

As at 31 December 2020 and 2019, the Sub-Fund held a number of derivatives that were valued by reference to broker quotes. In determining the fair value of such investments, the Trustee and the Manager exercise judgments and estimates on the sources of brokers and the quantity and quality of broker quotes used. Such broker 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 31 December 2020 and 2019.

Actual transacted prices may differ from the broker quotes provided by the brokers. The Trustee and the Manager consider that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value of those unlisted investments.

##### Functional currency

The primary objective of the Sub-Fund is to generate returns in HK\$, its capital-rising currency. The liquidity of the Sub-Fund is managed on a day-to-day basis in HK\$ in order to handle the issue, acquisition and resale of the Sub-Fund's redeemable units. The Sub-Fund's performance is evaluated in HK\$. Therefore, management considers HK\$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

#### 5 Financial instruments by category

##### *Financial assets*

Apart from financial assets at fair value through profit or loss and derivatives which are classified as financial assets at fair value through profit or loss, all other financial assets as disclosed in the statement of net assets, including dividend receivable, amounts due from brokers, receivables on subscriptions, cash collateral, margin deposits and bank balances are categorised as "financial assets at amortised cost".

##### *Financial liabilities*

Apart from derivatives which is classified as financial liabilities at fair value through profit or loss, all other financial liabilities as disclosed in the statement of financial position, including management fee payable, trustee fee payable, amounts due to brokers, performance fee payable, other payables and accruals, amounts payable on redemption of units and dividend payable to unitholders, are categorised as "financial liabilities at amortised cost".

#### 6. Derivatives

The Sub-Fund holds the following derivative financial instrument:

##### Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities; changes in the futures contracts' value are settled daily with the exchange. Futures are settled on a net basis.

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#### 6. Derivatives (Continued)

##### Options

Options are contractual arrangements under which the seller grants the buyer the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or financial instruments at a predetermined price. Options are settled on a net basis.

##### Equity Swaps

Swap contracts are agreements that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified notional amount of the underlying equity securities.

##### Warrants

Warrants are a derivative that give the right, but not the obligation, to buy or sell a security at a certain price before expiration. The price at which the underlying security can be bought or sold is referred to as the exercise price or strike price.

As at 31 December 2020, the Sub-Fund held futures as shown below:

| Futures   | Contract size | Notional value<br>HKD | Position | Fair value<br>HKD  |
|---|---------------|-----------------------|----------|--------------------|
| Financial assets                                  |               |                       |          |                    |
| E-MINI DOW-CBOT MINI-SIZED<br>DJIA FUTURE MAR2021 | 10            | 11,822,315            | Long     | 149,325            |
| EMINI RUSSELL 2000 INDEX<br>FUTURE MAR2021        | 22            | 16,841,904            | Long     | 194,758            |
| GOLD 100 OZ FUTURE FEB2021                        | 56            | 82,280,239            | Long     | 3,489,283          |
|   |               |                       |          | <u>3,833,366</u>   |
| Financial liabilities                             |               |                       |          |                    |
| USD/CNH FUTURE MAR2021                            | 45            | 35,062,304            | Long     | (124,072)          |
| HANG SENG INDEX FUTURE<br>JAN2021                 | (15)          | (20,414,250)          | Short    | (538,300)          |
| CBOE VOLATILITY INDEX<br>FUTURE JAN2021           | 126           | 23,127,885            | Long     | (1,168,004)        |
| CBOE VOLATILITY INDEX<br>FUTURE APR2021           | (116)         | (23,338,382)          | Short    | (196,929)          |
| CBOE VOLATILITY INDEX<br>FUTURE MAY2021           | (10)          | (2,009,991)           | Short    | (56,210)           |
| NASDAQ 100 E-MINI FUTURE<br>MAR2021               | (14)          | (27,972,720)          | Short    | (560,007)          |
|   |               |                       |          | <u>(2,643,522)</u> |

## CFund - China Equity (A Sub-Fund of CFund)

Annual Report and Financial Statements  
For the year ended 31 December 2020

### Notes to the Financial Statements

#### 6. Derivatives (Continued)

##### Futures (Continued)

As at 31 December 2019, the Sub-Fund held futures as shown below:

| Futures  | Contract size | Notional value<br>HKD | Position | Fair value<br>HKD |
|--|---------------|-----------------------|----------|-------------------|
| Financial assets                                 |               |                       |          |                   |
| HANG SENG CHINA ENTERPRISES INDEX FUTURE JAN2020 | 25            | 14,013,750            | Long     | 170,100           |
| GOLD 100 OZ FUTURE FEB2020                       | 29            | 34,417,186            | Long     | 1,320,744         |
| SGX FTSE CHINA A50 INDEX FUTURE JAN2020          | 55            | 6,175,550             | Long     | 87,582            |
|  |               |                       |          | <u>1,578,426</u>  |
| Financial liabilities                            |               |                       |          |                   |
| USD/CNH FUTURE MAR2020                           | 64            | 50,026,467            | Long     | (498,045)         |
| HANG SENG INDEX FUTURE JAN2020                   | 30            | 42,405,000            | Long     | (75,700)          |
|  |               |                       |          | <u>(573,745)</u>  |

##### Options

As at 31 December 2020, the Sub-Fund held equity options as shown below:

| Options  | Contract size | Notional value<br>HKD | Position | Fair value<br>HKD |
|--|---------------|-----------------------|----------|-------------------|
| Financial assets                                     |               |                       |          |                   |
| CITIC SECURITIES CO LTD JAN2021 CALL OPTION 18       | 339           | 2,403,958             | Long     | 166,110           |
| CHINA LIFE INSURANCE CO LTD-H JAN2021 CALL OPTION 18 | 550           | 2,604,707             | Long     | 126,500           |
| CNOOC LTD MAR2021 CALL OPTION 7.5                    | 200           | 660,789               | Long     | 94,000            |
|  |               |                       |          | <u>386,610</u>    |

As at 31 December 2019, there was no equity options held.

## CFund - China Equity

### (A Sub-Fund of CFund)

Annual Report and Financial Statements  
For the year ended 31 December 2020

#### Notes to the Financial Statements

##### 6. Derivatives (Continued)

###### Warrants

As at 31 December 2020, the Sub-Fund held warrants as shown below:

| Warrants  | Holdings  | Notional value<br>HKD | Position | Fair value<br>HKD     |
|---|-----------|-----------------------|----------|-----------------------|
| Financial assets  |           |                       |          |                       |
| JP-INNOVENT BIOLOGICS<br>INC (B) CALL WTS<br>30APR2021  | 5,000,000 | 6,333,827             | Long     | 2,350,000             |
| SG-BYD CO LTD-H CALL<br>WTS 22MAR2021                   | 500,000   | 1,879,425             | Long     | 655,000               |
| SG-SUN HUNG KAI<br>PROPERTIES LTD CALL<br>WTS 15APR2021 | 500,000   | 1,058,956             | Long     | 81,500                |
|   |           |                       |          | <hr/> 3,086,500 <hr/> |

As at 31 December 2019, there was no warrant held.

###### Equity Swaps

As at 31 December 2020, the Sub-Fund held equity swaps as shown below:

| <u>Equity Swaps</u>   | Holdings | Notional value<br>HKD | Position | Fair value<br>HKD     |
|---|----------|-----------------------|----------|-----------------------|
| Financial assets  |          |                       |          |                       |
| SWAP UNIMICRON<br>TECHNOLOGY CORP<br>(TT.3037) 20200731                   | 175,000  | 4,219,891             | Long     | 471,139               |
| SWAP YIHAI KERRY<br>ARAWANA HOLDINGS CO<br>LTD-A (CH.300999)<br>02NOV2022 | 101,600  | 13,120,533            | Long     | 5,852,323             |
|   |          |                       |          | <hr/> 6,323,462 <hr/> |

As at 31 December 2019, there was no equity swaps held.

## CFund - China Equity (A Sub-Fund of CFund)

Annual Report and Financial Statements  
For the year ended 31 December 2020

### Notes to the Financial Statements

#### 7. Unconsolidated structured entities

Unconsolidated structured entities consist of investments in Investee Funds which are subject to the terms and conditions of the respective Investee Funds' offering documents and are susceptible to market price risk arising from uncertainties about future values of those structured entities. The Manager makes investment decisions after extensive due diligence of the underlying fund, its strategy and the overall quality of the underlying fund's manager.

The Sub-Fund's holding in Investee Funds, as a percentage of the respective structured entity's total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at structured entities level. It is possible that the Sub-Fund may, at any point in time, hold a majority of a structured entity's total shares in issue.

The table below summaries the Sub-Fund's holdings in Investee Funds as at 31 December 2020 and 2019:

| Investee Funds                                | Fund Manager                               | Place of incorporation | Dealing frequency | % of net asset value of the Investee Funds as at 31 December 2020 | % of net asset value of the Investee Funds as at 31 December 2019 |
|---|--|------------------------|-------------------|---|---|
| INVESCO SOLAR ETF                             | Invesco Powershares Capital                | USA                    | Daily             | 0.019%  | -   |
| CHINAAMC CSI 300 INDEX ETF                    | China Asset Management (Hong Kong) Limited | Hong Kong              | Daily             | -   | 0.085%  |
| TRACKER FUND OF HONG KONG                     | State Street Global Advisors Asia Limited  | Hong Kong              | Daily             | -   | 0.007%  |
| DIREXION DAILY GOLD MINERS BULL 3X SHARES     | Direxion Shares ETF Trust                  | United States          | Daily             | -   | 0.035%  |
| DIREXION DAILY SEMICONDUCTOR S BULL 3X SHARES | Direxion Shares ETF Trust                  | United States          | Daily             | -   | 0.034%  |
| PROSHARES ULTRA S&P500                        | ProShares Trust                            | United States          | Daily             | -   | 0.046%  |
| PROSHARES ULTRAPRO QQQ                        | ProShares Trust                            | United States          | Daily             | -   | 0.024%  |
| PROSHARES ULTRAPRO S&P 500                    | ProShares Trust                            | United States          | Daily             | -   | 0.022%  |



## CFund - China Equity (A Sub-Fund of CFund)

Annual Report and Financial Statements  
For the year ended 31 December 2020

### Notes to the Financial Statements

#### 7. Unconsolidated structured entities (Continued)

Movements in the fair value of the Investee Funds' portfolio and corresponding movements in the fair value of the Investee Funds may expose the Sub-Fund to a loss. The Sub-Fund's maximum exposure to loss from its interests in structured entities is equal to the total fair value of its investments in structured entities. Once the Sub-Fund has disposed of its shares in a structured entity, the Sub-Fund ceases to be exposed to any risk from that structured entity.

The exposure to investments in Investee Funds at fair value is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

| <b>As at 31 December 2020</b>                | <b>Fair value<br/>HKD</b> | <b>% of net<br/>assets</b> |
|--|---------------------------|----------------------------|
| INVESCO SOLAR ETF                            | 5,815,972                 | 0.99%                      |
|  |                           |                            |
| <b>As at 31 December 2019</b>                | <b>Fair value<br/>HKD</b> | <b>% of net<br/>assets</b> |
| CHINAAMC CSI 300 INDEX ETF                   | 12,017,600                | 3.52%                      |
| TRACKER FUND OF HONG KONG                    | 6,699,975                 | 1.96%                      |
| DIREXION DAILY GOLD MINERS BULL 3X SHARES    | 8,117,051                 | 2.38%                      |
| DIREXION DAILY SEMICONDUCTORS BULL 3X SHARES | 5,434,867                 | 1.59%                      |
| PROSHARES ULTRA S&P500                       | 9,755,366                 | 2.86%                      |
| PROSHARES ULTRAPRO QQQ                       | 13,383,420                | 3.91%                      |
| PROSHARES ULTRAPRO S&P 500                   | 3,873,177                 | 1.13%                      |
|  | 59,281,456                | 17.35%                     |

As at 31 December 2020 and 2019 there were no capital commitment obligations and no amounts due to structured entities for unsettled purchases.

During the period ended 31 December 2020, total unrealised gain of HK\$1,717,938 (2019: HK\$6,877,247) and realised gain of HK\$10,809,369 (2019: HK\$385,131) were incurred on investments in Investee Funds during the period ended 31 December 2020 and 2019.

#### 8. Margin deposits and Cash collateral

- (a) Margin accounts represent margin deposits held in respect of open exchange-traded derivative contracts. As at 31 December 2020, the Sub-Fund held margin deposits of HK\$26,654,319 (2019: HK\$6,266,079) in Morgan Stanley & Co. International PLC of which HK\$16,288,445 (2019: HK\$4,976,495) is restricted; and no margin deposits held (2019: HK\$10,941,921) in Goldman Sachs International of which no cash is restricted (2019: HK\$4,587,238).
- (b) Cash collateral represent collateral held in respect of equity swap derivative contracts. As at 31 December 2020, the Sub-Fund collateral of HK\$18,189,842 (2019: Nil) in Morgan Stanley & Co. International PLC of which HK\$10,944,183 (2019: Nil) is restricted.

## CFund - China Equity (A Sub-Fund of CFund)

Annual Report and Financial Statements  
For the year ended 31 December 2020

### Notes to the Financial Statements

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

The Sub-Fund has issued three classes (2019: one class) of units. The number of units in issue of the Sub-Fund is classified as financial liability (2019: equity) for the year ended 31 December 2020. All issued redeemable units are fully paid. Class A HKD (Distribution) and Class A RMB (Accumulation) of the Sub-fund has been authorised to launch two additional classes by the SFC on 2 January, 2020, the first subscription Class A HKD (Distribution) units Class A RMB (Accumulation) units and issued on 16 June 2020 and 30 September 2020.

For Class A HKD (Distribution) units, it is the current intention of the Manager that distributions will be made on a quarterly basis. Distributions can be paid out of capital or effectively out of capital of the Sub-Fund. There is no guarantee that any distributions will be made and there is no target level of distribution payout. Any distributions payable (if any) will be automatically reinvested unless otherwise elected by the Unitholder. Refer to note 12 for the distribution made during the year ended 31 December 2020.

For all other classes of units, it is the current intention of the Manager that distributions of income will not be made from the Sub-Fund.

|                          | <u>Class A HKD</u><br><u>(Accumulation)</u><br><u>Units</u> | <u>Class A HKD</u><br><u>(Distribution)</u><br><u>Units</u> | <u>Class A RMB</u><br><u>(Accumulation)</u><br><u>Units</u> |
|--------------------------|---|---|---|
| <b>2020</b>              |   |   |   |
| At the end of the year   | 3,446,188.0078  | 65,443.8432   | 30,701.7101   |
| <b>2019</b>              |   |   |   |
| At the end of the period | 3,128,665.8987  | -   | -   |

Unitholders who wish to subscribe or redeem their units in the Sub-Fund may do on and dealing day which is (a) any business day, except any business day, determined at the Manager's discretion, on which any exchange or market on which a substantial portion of the Sub-Fund's investments is traded is closed or on which dealings are restricted or suspended; or (b) such other day as the Manager may determine from time to time with the approval of the Trustee.

In addition, each class of units is subjected to HKD100 minimum initial and subsequent subscription amounts and holding amounts, and minimum redemption and switching amounts.

|   | As at<br>31 December<br>2020<br>HKD | As at<br>31 December<br>2019<br>HKD |
|---|-------------------------------------|-------------------------------------|
| Net assets attributable to unitholders per unit (per statement of financial position) |                                     |                                     |
| - Class A HKD (Accumulation) Units  | 165.9493                            | 109.1891                            |
| - Class A HKD (Distribution) Units  | 131.3424                            | -                                   |
|   | <hr/>                               | <hr/>                               |
|   | RMB                                 | RMB                                 |
| - Class A RMB (Accumulation) Units  | 114.2601                            | -                                   |
|   | <hr/>                               | <hr/>                               |

## CFund - China Equity

### (A Sub-Fund of CFund)

Annual Report and Financial Statements  
For the year ended 31 December 2020

#### Notes to the Financial Statements

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

Establishment costs are expensed as incurred. However, in accordance with the provisions of the Explanatory Memorandum, establishment costs will be amortised over the first five accounting periods. As at 31 December 2020, the unamortised establishment costs of the Sub-Fund was HK\$556,179 (2019: HK\$744,506). The accounting policy of the Fund for the purpose of financial statements preparation in compliance with IFRS is to expense formation costs in the statement of comprehensive income as incurred. The differences between expensing the formation costs as incurred in accordance with HKFRS/IFRS and capitalisation and amortisation of the formation costs indicated in the Explanatory Memorandum of the Sub-Fund resulted in adjustments in the net asset value.

|   | As at<br>31 December<br>2020<br>HKD | As at<br>31 December<br>2019<br>HKD |
|---|-------------------------------------|-------------------------------------|
| Net assets attributable to unitholders as reported in the statement of financial position | 584,670,315                         | 341,616,207                         |
| Add: Adjustments for unamortised establishment costs                                      | 556,179                             | 744,506                             |
| Less: Adjustments for other differences (Note)  | (5,341,771)                         | -                                   |
|   | <hr/>                               | <hr/>                               |
| Dealing net asset value   | 579,884,723                         | 342,360,713                         |
|   | <hr/>                               | <hr/>                               |
| Dealing net assets attributable to unitholders per unit                                   |                                     |                                     |
| - Class A HKD (Accumulation) Units  | HKD166.1071                         | HKD109.4271                         |
| - Class A HKD (Distribution) Units  | HKD132.7997                         | -                                   |
| - Class A RMB (Accumulation) Units  | RMB114.3710                         | -                                   |
|   | <hr/>                               | <hr/>                               |

Note: Adjustments were made to recognise subscription and distribution made on 31 December 2020 amounted to HK\$5,428,680 and HK\$86,909 respectively. Units for the subscription request made on 31 December 2020 will be issued on the second business day after receipt of subscription request.

##### 10. Taxation

###### (a) Hong Kong

The Sub-Fund is exempted from Hong Kong profit tax on profits arising from authorised activities under Section 26A (1A) of the Hong Kong Inland Revenue Ordinance. No Hong Kong profits tax has been provided as the Sub-Fund is exempted from Hong Kong profits tax.

###### (b) China

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

The Sub-Fund invests in various derivative instruments linked to "A" shares of companies listed in China and in "A" shares through Stock Connect. Prior to 17 November 2014, a 10% tax was withheld by the relevant Qualified Foreign Institutional Investors ("QFIIs") on all China sourced dividends and realised capital gains. With effect from 17 November 2014, a 10% tax is only withheld on all China sourced dividend income only.

# CFund - China Equity

## (A Sub-Fund of CFund)

Annual Report and Financial Statements  
For the year ended 31 December 2020

### Notes to the Financial Statements

#### 10. Taxation (Continued)

(c) Other jurisdictions

Overseas withholding tax was charged on certain dividend and investment income received during the years/period.

#### 11. Transactions with related parties and connected persons of the Manager

The Sub-Fund had the following related parties transactions with the Trustee and the Manager and their connected persons. Connected persons are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All transactions with related parties, Trustee, Manager and their connected persons were entered into in the ordinary course of business and on normal commercial terms.

- (a) As at 31 December 2020, the Sub-Fund placed bank deposits and investments amounted to HK\$57,361,086 (2019: HK\$16,436,322) and HK\$527,880,405 (2019: HK\$313,680,019) respectively with Bank of China (Hong Kong) Limited, a connected person of the Trustee. For the year ended 31 December 2020, bank interest income amounted to HK\$14,299 (2019: HK\$35,545) has been earned by the Sub-Fund.
- (b) Trustee fee is charged by the Trustee of the Sub-Fund. Trustee fee can be charged up to 0.5% per annum of the Net Asset Value of the Sub-Fund, subject to a monthly minimum fee of HK\$40,000. During the year ended 31 December 2020, trustee fee amounting to HK\$595,060 (2019: HK\$495,655) was paid to the Trustee of the Sub-Fund. As at 31 December 2020, trustee fee payable amounted to HK\$67,875 (2019: HK\$44,430).
- (c) Management fee is charged by the Manager of the Sub-Fund. Management fee is calculated at 1.5% of the net asset value of the Sub-Fund. The management fee is accrued as at each valuation day and will be payable monthly in arrears. During the year ended 31 December 2020, management fee amounting to HK\$5,958,797 (2019: HK\$4,852,536) was charged by the Manager of the Sub-Fund. As at 31 December 2020, management fee payable amounted to HK\$685,475 (2019: HK\$444,298).
- (d) Performance fee is charged by the Manager of the Sub-Fund. Performance fee is calculated at 15% by which the increase in total of net asset value per unit (prior to the deduction of any provision for any distribution declared or paid in respect of that Performance Period) during the relevant performance period of the Sub-Fund in excess of the High Water Mark. High Water Mark is the higher of initial subscription price and the net asset value per unit as at the end of any previous performance period in respect of a performance fee was paid. The performance fee is accrued as at each valuation day and will be payable annually.

During the year ended 31 December 2020, performance fee amounting to HK\$32,136,161 (2019: HK\$5,057,156) was charged by the Manager of the Sub-Fund. As at 31 December 2020, performance fee payable amounted to HK\$32,109,916 (2019: HK\$5,005,342).

- (e) In addition to the trustee fee disclosed in Note 11b, the Fund had following additional transactions with trustee during the year ended 31 December 2020 and 31 December 2019.

|   | 2020    | 2019    |
|---|---------|---------|
|   | HKD     | HKD     |
| Transaction handling fees                                 | 279,920 | 201,250 |
| Foreign Account Tax Compliance Act ("FATCA") service fees | 20,000  | -       |
| Fund setup fee  | -       | 30,000  |
| Distribution handling fee                                 | 100     | -       |

## CFund - China Equity (A Sub-Fund of CFund)

Annual Report and Financial Statements  
For the year ended 31 December 2020

### Notes to the Financial Statements

#### 11. Transactions with related parties and connected persons of the Manager (Continued)

(f) During the year ended 31 December 2020, custodian fee, bank charges and transaction fees amounted to HK\$108,847 (2019: HK\$166,528), HK\$21,400 (2019: HK\$5,908) and HK\$456,620 (2019: HK\$234,198) respectively were charged by the custodian.

(g) Investment transactions with connected person of the Manager

|                                 | Aggregate value<br>of purchases and<br>sales of securities<br>HKD | Total<br>commission<br>paid to<br>connected<br>person of the<br>Manager<br>HKD | % of Sub-Fund's<br>total transactions<br>during the year<br>% | Average<br>commission<br>rate<br>% |
|---------------------------------|---|--|---|------------------------------------|
| 2020                            |   |  |   |                                    |
| Centaline Securities<br>Limited | 75,290,661  | 35,788   | 1.69%   | 0.045%                             |
| 2019                            |   |  |   |                                    |
| Centaline Securities<br>Limited | 77,931,494  | 35,069   | 2.3%  | 0.045%                             |

(h) 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 31 December 2020 and 2019, the holdings in the Sub-Fund by the Manager and its connected persons was as follow:

|   | Number of<br>Class A HKD<br>(Accumulation)<br>Units |
|---|---|
| Manager   |   |
| As at 2 January 2019 (date of commencement of operations)   | -   |
| Units subscribed during the period                          | 1,000   |
| As at 31 December 2019, 1 January 2020 and 31 December 2020 | 1,000   |
|   |   |
|   | Number of<br>Class A HKD<br>(Accumulation)<br>Units |
| A connected person of the Manager                           |   |
| As at 2 January 2019 (date of commencement of operations)   | -   |
| Units subscribed during the period                          | 250,000   |
| As at 31 December 2019, 1 January 2020 and 31 December 2020 | 250,000   |

# CFund - China Equity

## (A Sub-Fund of CFund)

Annual Report and Financial Statements  
For the year ended 31 December 2020

### Notes to the Financial Statements

#### 12. Distributions

|   | For the<br>year ended<br>31 December<br>2020<br>HKD | For the period from 2 January<br>2019 (date of commencement<br>of operations) to 31 December<br>2019<br>HKD |
|---|---|---|
| Undistributed income at the beginning for the year/period   | -   | -   |
| Profit after tax and before distribution  | 175,262,596   | -   |
| Distributions to unitholders  | (108,059)   | -   |
| Undistributed income transferred to net assets<br>attributable to unitholders for the year/period | (175,154,537)                                       | -   |
| Undistributed income carried forward at the ending of<br>the year/period                          | -   | -   |

As at 31 December 2020, distribution payable to unitholders amounted to HK\$86,909 (2019: Nil).

Subject to the Manager's discretion, the dividends will be declared on quarterly basis on such date which is the end of March, June, September and December of each year. Dividends can be paid out of capital or effectively out of capital of the relevant Class and may result in immediate reduction of net asset value per unit of the Sub-Fund.

Distribution per unit - Class A HKD (Distribution) unit

|                  | 2020<br>HKD per unit | 2019<br>HKD per unit |
|------------------|----------------------|----------------------|
| Declaration date |                      |                      |
| 2 July 2020      | 1.0467               | -                    |
| 5 October 2020   | 1.1220               | -                    |
| 4 January 2021   | 1.3280               | -                    |

#### 13. Soft commission arrangement

During the year, the Manager has not entered into soft commission with brokers, under which certain goods and services used to support investment decision making are obtained from third parties and are paid for by the brokers in consideration of transactions of the Sub-Fund directed to the brokers. These may include, for example, 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 (2019: Nil).

During the year, the Manager and its connected persons have not participated in any soft commission arrangements in respect of any transactions made for the Sub-Fund (2019: Nil).

#### 14. Events after the reporting period

No events or transactions have occurred after the end of the reporting period that affects the financial statements of the Sub-Fund for the year ended 31 December 2020.

#### 15. Approval of the financial statements

The financial statements were approved and authorised for issue by Trustee and the Manager on 26 April 2021.

## CFund - China Equity

### (A Sub-Fund of CFund)

Annual Report and Financial Statements  
Investment Portfolio (Unaudited)  
As at 31 December 2020

|   | Holdings | Market value<br>HKD | Net asset value<br>% |
|---|----------|---------------------|----------------------|
| <b>Listed equity securities - China</b>           |          |                     |                      |
| AIER EYE HOSPITAL GROUP CO LTD-A                  | 108,938  | 9,726,405           | 1.66%                |
| CHINA INTL TRAVEL SERVICE CORP LTD-A              | 20,200   | 6,802,085           | 1.16%                |
| CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A          | 55,705   | 23,317,742          | 3.99%                |
| FOSHAN HAITIAN FLAVOURING & FOOD CO LTD-A         | 8,500    | 2,032,212           | 0.35%                |
| JIANGSU HENGRUI MEDICINE CO LTD-A                 | 59,695   | 7,932,428           | 1.36%                |
| KWEICHOW MOUTAI CO LTD-A                          | 6,490    | 15,459,281          | 2.64%                |
| LONGI GREEN ENERGY TECHNOLOGY CO LTD-A            | 49,381   | 5,428,001           | 0.93%                |
| S F HLDG CO LTD-A                                 | 155,186  | 16,323,675          | 2.79%                |
| SHENZHEN MINDRAY BIO-MEDICAL ELECTRONICS CO LTD-A | 22,234   | 11,292,142          | 1.93%                |
| YIHAI KERRY ARAWANA HOLDINGS CO LTD-A             | 26,700   | 3,448,014           | 0.59%                |
|   |          | <b>101,761,985</b>  | <b>17.40%</b>        |

|   | Holdings | Market value<br>HKD | Net asset value<br>% |
|---|----------|---------------------|----------------------|
| <b>Listed equity securities - United States</b> |          |                     |                      |
| ADVANCED MICRO DEVICES INC                      | 5,100    | 3,626,288           | 0.62%                |
| BOEING CO                                       | 6,650    | 11,036,530          | 1.89%                |
| II-VI INC                                       | 2,400    | 1,413,421           | 0.24%                |
| MICRON TECHNOLOGY INC                           | 16,700   | 9,734,064           | 1.66%                |
| PLUG POWER INC                                  | 32,400   | 8,518,207           | 1.46%                |
| SNOWFLAKE INC-CL A                              | 1,525    | 3,327,127           | 0.57%                |
| TESLA INC                                       | 4,855    | 26,562,337          | 4.54%                |
| WALT DISNEY CO                                  | 2,000    | 2,809,413           | 0.48%                |
| ZOOM VIDEO COMMUNICATIONS INC-CL A              | 2,190    | 5,727,454           | 0.98%                |
|   |          | <b>72,754,841</b>   | <b>12.44%</b>        |

|   | Holdings | Market value<br>HKD | Net asset value<br>% |
|---|----------|---------------------|----------------------|
| <b>Listed deposit Receipt - United States</b> |          |                     |                      |
| ALIBABA GROUP HLDG LTD-SPONSORED ADR          | 9,030    | 16,293,542          | 2.79%                |
| BAIDU INC-ADR                                 | 1,800    | 3,017,755           | 0.52%                |
| BILIBILI INC-ADR                              | 19,827   | 13,176,940          | 2.25%                |
| FUTU HLDGS LTD-SPONSORED ADR                  | 10,680   | 3,788,242           | 0.65%                |
| JD.COM INC-ADR                                | 29,259   | 19,939,935          | 3.41%                |
| KE HLDGS INC-SPONSORED ADR                    | 28,299   | 13,502,182          | 2.31%                |
| NIO INC-SPONSORED ADR                         | 45,878   | 17,336,658          | 2.97%                |
| PINDUODUO INC-SPONSORED ADR                   | 17,820   | 24,546,930          | 4.20%                |
| YATSEN HLDG LTD-SPONSORED ADR                 | 9,400    | 1,238,945           | 0.21%                |
| ZAI LAB LTD-ADR                               | 4,100    | 4,302,147           | 0.73%                |
|   |          | <b>117,143,276</b>  | <b>20.04%</b>        |

# CFund - China Equity

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|   | Holdings  | Market value<br>HKD | Net asset value<br>%    |                      |
|---|-----------|---------------------|-------------------------|----------------------|
| Listed equity securities - Hong Kong                |           |                     |                         |                      |
| ALIBABA HEALTH INFORMATION TECHNOLOGY LTD           | 284,000   | 6,503,600           | 1.11%                   |                      |
| ANTA SPORTS PRODUCTS LTD                            | 114,900   | 14,121,210          | 2.42%                   |                      |
| BEIGENE LTD   | 19,000    | 2,983,000           | 0.51%                   |                      |
| BYD CO LTD-H  | 7,000     | 1,422,400           | 0.24%                   |                      |
| CHINA MENGNIU DAIRY CO LTD                          | 31,000    | 1,450,800           | 0.25%                   |                      |
| CHINA RESOURCES BEER HLDGS CO LTD                   | 20,000    | 1,428,000           | 0.24%                   |                      |
| CHINA YOUZAN LTD                                    | 1,284,000 | 2,966,040           | 0.51%                   |                      |
| COUNTRY GARDEN SERVICES HLDGS CO LTD                | 226,549   | 11,882,495          | 2.03%                   |                      |
| GANFENG LITHIUM CO LTD-H                            | 15,200    | 1,407,520           | 0.24%                   |                      |
| GEELY AUTOMOBILE HLDGS LTD                          | 118,000   | 3,127,000           | 0.53%                   |                      |
| HAIDILAO INTL HLDG LTD                              | 45,000    | 2,686,500           | 0.46%                   |                      |
| HSBC HLDGS PLC                                      | 455,600   | 18,565,700          | 3.18%                   |                      |
| INNOVENT BIOLOGICS INC (B)                          | 159,000   | 13,045,950          | 2.23%                   |                      |
| JD HEALTH INTL INC                                  | 45,300    | 6,795,000           | 1.16%                   |                      |
| MEITUAN-CLASS B                                     | 65,200    | 19,207,920          | 3.29%                   |                      |
| MICROPORT SCIENTIFIC CORP                           | 161,000   | 6,753,950           | 1.16%                   |                      |
| MING YUAN CLOUD GROUP HLDGS LTD                     | 127,000   | 6,070,600           | 1.04%                   |                      |
| NONGFU SPRING CO LTD-H                              | 161,600   | 8,871,840           | 1.52%                   |                      |
| RAZER INC   | 609,000   | 1,449,420           | 0.25%                   |                      |
| SEMICONDUCTOR MANUFACTURING INTL CORP               | 143,500   | 3,171,350           | 0.54%                   |                      |
| TENCENT HLDGS LTD                                   | 32,600    | 18,386,400          | 3.14%                   |                      |
| WEIMOB INC  | 103,000   | 1,435,820           | 0.25%                   |                      |
| WUXI BIOLOGICS CAYMAN INC                           | 225,500   | 23,181,400          | 3.96%                   |                      |
| XIAOMI CORP-CLASS B SHARE                           | 629,200   | 20,889,440          | 3.57%                   |                      |
| XINYI SOLAR HLDGS LTD                               | 796,000   | 16,119,000          | 2.76%                   |                      |
| ZHONGSHENG GROUP HLDGS LTD                          | 123,000   | 6,795,750           | 1.16%                   |                      |
|   |           | 220,718,105         | 37.75%                  |                      |
|   |           |                     |                         |                      |
|   | Holdings  | Market value<br>HKD | Net asset value<br>%    |                      |
| Exchange-traded fund - United States                |           |                     |                         |                      |
| INVESCO SOLAR ETF                                   | 7,300     | 5,815,972           | 0.99%                   |                      |
|   |           |                     |                         |                      |
|   | Holdings  | Market value<br>HKD | Accrual Interest<br>HKD | Net asset value<br>% |
| Listed debt securities – China                      |           |                     |                         |                      |
| SUNAC CHINA HLDGS LTD 7.875% S/A 15FEB2022          | 400,000   | 3,186,524           | 92,262                  | 0.56%                |
| XIAOMI BEST TIME INTL LTD 3.375% S/A 29APR2030 REGS | 400,000   | 3,302,914           | 18,026                  | 0.57%                |
|   |           | 6,489,438           | 110,288                 | 1.13%                |



## CFund - China Equity

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|  | Contract size | Market value<br>HKD | Net asset value<br>% |
|--|---------------|---------------------|----------------------|
| <b>Quoted warrant - Hong Kong</b>                                  |               |                     |                      |
| JP-INNOVENT BIOLOGICS INC (B) CALL WTS 30APR2021                   | 5,000,000     | 2,350,000           | 0.41%                |
| SG-BYD CO LTD-H CALL WTS 22MAR2021                                 | 500,000       | 655,000             | 0.11%                |
| SG-SUN HUNG KAI PROPERTIES LTD CALL WTS 15APR2021                  | 500,000       | 81,500              | 0.01%                |
|  |               | <b>3,086,500</b>    | <b>0.53%</b>         |
|  | Contract size | Fair value<br>HKD   | Net asset value<br>% |
| <b>Listed option - Hong Kong</b>                                   |               |                     |                      |
| CITIC SECURITIES CO LTD JAN2021 CALL OPTION 18                     | 339           | 166,110             | 0.03%                |
| CHINA LIFE INSURANCE CO LTD-H JAN2021 CALL OPTION 18               | 550           | 126,500             | 0.02%                |
| CNOOC LTD MAR2021 CALL OPTION 7.5                                  | 200           | 94,000              | 0.02%                |
|  |               | <b>386,610</b>      | <b>0.07%</b>         |
|  | Contract size | Fair value<br>HKD   | Net asset value<br>% |
| <b>Listed futures - United States</b>                              |               |                     |                      |
| E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE MAR2021                     | 10            | 149,325             | 0.03%                |
| EMINI RUSSELL 2000 INDEX FUTURE MAR2021                            | 22            | 194,758             | 0.03%                |
| GOLD 100 OZ FUTURE FEB2021   | 56            | 3,489,283           | 0.60%                |
|  |               | <b>3,833,366</b>    | <b>0.66%</b>         |
|  | Contract size | Fair value<br>HKD   | Net asset value<br>% |
| <b>Quoted Equity Swap - Taiwan</b>                                 |               |                     |                      |
| SWAP UNIMICRON TECHNOLOGY CORP (TT.3037) 20200731                  | 175,000       | 471,139             | 0.08%                |
|  | Contract size | Fair value<br>HKD   | Net asset value<br>% |
| <b>Quoted Equity Swap - China</b>                                  |               |                     |                      |
| SWAP YIHAI KERRY ARAWANA HOLDINGS CO LTD-A (CH.300999) 02NOV2022   | 101,600       | 5,852,323           | 1.00%                |
| <b>Total financial assets at fair value through profit or loss</b> |               | <b>538,423,843</b>  | <b>92.09%</b>        |

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|  | Contract size | Fair value<br>HKD | Net asset<br>value<br>% |
|--|---------------|-------------------|-------------------------|
| <b>Listed currency futures – Hong Kong</b>   |               |                   |                         |
| USD/CNH FUTURE MAR2020   | 45            | (124,072)         | (0.02%)                 |
| <hr/>  |               |                   |                         |
|  | Contract size | Fair value<br>HKD | Net asset<br>value<br>% |
| <b>Listed index futures - Hong Kong</b>  |               |                   |                         |
| HANG SENG INDEX FUTURE JAN2021   | (15)          | (538,300)         | (0.09%)                 |
| <hr/>  |               |                   |                         |
|  | Contract size | Fair value<br>HKD | Net asset<br>value<br>% |
| <b>Listed futures - United States</b>  |               |                   |                         |
| CBOE VOLATILITY INDEX FUTURE APR2021   | (116)         | (196,929)         | (0.03%)                 |
| CBOE VOLATILITY INDEX FUTURE JAN2021   | 126           | (1,168,005)       | (0.20%)                 |
| CBOE VOLATILITY INDEX FUTURE MAY2021   | (10)          | (56,210)          | (0.01%)                 |
| NASDAQ 100 E-MINI FUTURE MAR2021   | (14)          | (560,006)         | (0.10%)                 |
|  |               | (1,981,150)       | (0.34%)                 |
| <hr/>  |               |                   |                         |
| <b>Total financial assets and liabilities at fair value through profit or loss</b> |               | 535,780,321       | 91.64%                  |
| <b>Other net assets</b>  |               | 48,889,994        | 8.36%                   |
| <hr/>  |               |                   |                         |
| <b>Total net assets</b>  |               | 584,670,315       | 100.00%                 |
| <hr/>  |               |                   |                         |
| <b>Total financial assets at fair value through profit or loss at cost</b>         |               | 355,828,565       |                         |
| <hr/>  |               |                   |                         |

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

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|---|---------------------------|----------------------|-------------|---------------------------|
|   |                           | Additions            | Disposals   |                           |
| <b>Listed equity securities - China</b>           |                           |                      |             |                           |
| AIER EYE HOSPITAL GROUP CO LTD-A                  | -                         | 144,038              | (35,100)    | 108,938                   |
| BGI GENOMICS CO LTD-A                             | -                         | 4,271                | (4,271)     | -                         |
| C&S PAPER CO LTD-A                                | -                         | 249,974              | (249,974)   | -                         |
| CHINA INTL TRAVEL SERVICE CORP LTD-A              | -                         | 40,703               | (20,503)    | 20,200                    |
| CHONGQING CHANGAN AUTOMOBILE CO LTD-A             | -                         | 136,760              | (136,760)   | -                         |
| CHONGQING ZHIFEI BIOLOGICAL PRODUCTS CO LTD-A     | -                         | 25,757               | (25,757)    | -                         |
| CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A          | -                         | 135,623              | (79,918)    | 55,705                    |
| EAST MONEY INFORMATION CO LTD-A                   | -                         | 294,929              | (294,929)   | -                         |
| FOSHAN HAITIAN FLAVOURING & FOOD CO LTD-A         | 50,700                    | 116,999              | (159,199)   | 8,500                     |
| GIGADEVICE SEMICONDUCTOR BEIJING INC-A            | -                         | 20,438               | (20,438)    | -                         |
| GOERTEK INC-A                                     | -                         | 103,977              | (103,977)   | -                         |
| GREE ELECTRIC APPLIANCES INC-A                    | 137,328                   | 13,500               | (150,828)   | -                         |
| HENGLI PETROCHEMICAL CO LTD-A                     | -                         | 116,116              | (116,116)   | -                         |
| INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD-A     | -                         | 68,827               | (68,827)    | -                         |
| JIANGSU HENGRUI MEDICINE CO LTD-A                 | 91,100                    | 112,795              | (144,200)   | 59,695                    |
| KWEICHOW MOUTAI CO LTD-A                          | 12,300                    | 6,890                | (12,700)    | 6,490                     |
| LENS TECHNOLOGY CO LTD-A                          | -                         | 36,073               | (36,073)    | -                         |
| LONGI GREEN ENERGY TECHNOLOGY CO LTD-A            | -                         | 61,081               | (11,700)    | 49,381                    |
| LUXSHARE PRECISION INDUSTRY CO LTD-A              | 84,162                    | 102,360              | (186,522)   | -                         |
| S F HLDG CO LTD-A                                 | -                         | 181,686              | (26,500)    | 155,186                   |
| SHENZHEN HUIDING TECHNOLOGY CO LTD-A              | -                         | 20,120               | (20,120)    | -                         |
| SHENZHEN MINDRAY BIO-MEDICAL ELECTRONICS CO LTD-A | -                         | 45,534               | (23,300)    | 22,234                    |
| WILL SEMICONDUCTOR LTD-A                          | -                         | 28,990               | (28,990)    | -                         |
| WULIANGYE YIBIN CO LTD-A                          | 22,792                    | -                    | (22,792)    | -                         |
| YIHAI KERRY ARAWANA HOLDINGS CO LTD-A             | -                         | 26,700               | -           | 26,700                    |
| <b>Listed equity securities – Hong Kong</b>       |                           |                      |             |                           |
| AIA GROUP LTD                                     | 177,800                   | -                    | (177,800)   | -                         |
| AK MEDICAL HLDGS LTD                              | -                         | 162,000              | (162,000)   | -                         |
| ALIBABA GROUP HLDG LTD                            | 31,100                    | 8,600                | (39,700)    | -                         |
| ALIBABA HEALTH INFORMATION TECHNOLOGY LTD         | 226,410                   | 982,000              | (924,410)   | 284,000                   |
| A-LIVING SMART CITY SERVICES CO LTD-H             | 63,000                    | 182,750              | (245,750)   | -                         |
| ANHUI CONCH CEMENT CO LTD-H                       | -                         | 79,500               | (79,500)    | -                         |
| ANTA SPORTS PRODUCTS LTD                          | 163,000                   | 217,900              | (266,000)   | 114,900                   |
| ANTENGENE CORP LTD                                | -                         | 5,000                | (5,000)     | -                         |
| BEIGENE LTD                                       | -                         | 42,900               | (23,900)    | 19,000                    |
| BOC HONG KONG (HLDGS) LTD                         | -                         | 96,000               | (96,000)    | -                         |
| BOSIDENG INTL HLDGS LTD                           | -                         | 740,000              | (740,000)   | -                         |
| BRILLIANCE CHINA AUTOMOTIVE HLDGS LTD             | 1,192,000                 | 270,000              | (1,462,000) | -                         |
| BUDWEISER BREWING CO APAC LTD                     | -                         | 275,900              | (275,900)   | -                         |

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|   | At 31<br>December<br>2019 | <u>Movement in holdings</u> |             | At 31<br>December<br>2020 |
|---|---------------------------|-----------------------------|-------------|---------------------------|
|   |                           | Additions                   | Disposals   |                           |
| <b>Listed equity securities - Hong Kong – (continued)</b>           |                           |                             |             |                           |
| BYD CO LTD-H  | -                         | 11,500                      | (4,500)     | 7,000                     |
| CANSINO BIOLOGICS INC-H   | -                         | 29,800                      | (29,800)    | -                         |
| CHINA CONCH VENTURE HLDGS LTD                                       | -                         | 61,000                      | (61,000)    | -                         |
| CHINA CONSTRUCTION BANK CORP-H                                      | -                         | 808,000                     | (808,000)   | -                         |
| CHINA EVERGRANDE NEW ENERGY VEHICLE GROUP LTD                       | -                         | 136,000                     | (136,000)   | -                         |
| CHINA FEIHE LTD   | -                         | 241,000                     | (241,000)   | -                         |
| CHINA JINMAO HLDGS GROUP LTD  | -                         | 58,000                      | (58,000)    | -                         |
| CHINA LITERATURE LTD  | -                         | 38,600                      | (38,600)    | -                         |
| CHINA LONGYUAN POWER GROUP CORP LTD-H                               | -                         | 187,000                     | (187,000)   | -                         |
| CHINA MENGNIU DAIRY CO LTD  | -                         | 31,000                      | -           | 31,000                    |
| CHINA MERCHANTS BANK CO LTD-H                                       | -                         | 25,500                      | (25,500)    | -                         |
| CHINA MOBILE LTD  | 106,000                   | 82,500                      | (188,500)   | -                         |
| CHINA OVERSEAS LAND & INVESTMENT LTD                                | -                         | 82,000                      | (82,000)    | -                         |
| CHINA OVERSEAS PROPERTY HLDGS LTD                                   | -                         | 817,000                     | (817,000)   | -                         |
| CHINA RESOURCES BEER HLDGS CO LTD                                   | -                         | 60,000                      | (40,000)    | 20,000                    |
| CHINA RESOURCES LAND LTD  | 217,000                   | 20,000                      | (237,000)   | -                         |
| CHINA TOWER CORP LTD-H  | -                         | 2,698,000                   | (2,698,000) | -                         |
| CHINA YONGDA AUTOMOBILES SERVICES HLDGS LTD                         | -                         | 99,000                      | (99,000)    | -                         |
| CHINA YOUZAN LTD  | -                         | 3,012,000                   | (1,728,000) | 1,284,000                 |
| CHINAAMC CSI 300 INDEX ETF  | 259,000                   | 216,800                     | (475,800)   | -                         |
| CHINAAMC GLOBAL ETF SERIES-CHINAAMC HANG SENG<br>TECH INDEX ETF     | -                         | 184,200                     | (184,200)   | -                         |
| CITIC SECURITIES CO LTD-H   | 550,500                   | 112,500                     | (663,000)   | -                         |
| CLP HLDGS LTD   | -                         | 87,500                      | (87,500)    | -                         |
| CNOOC LTD   | -                         | 307,000                     | (307,000)   | -                         |
| COSCO SHIPPING HLDGS CO LTD-H                                       | -                         | 822,000                     | (822,000)   | -                         |
| COUNTRY GARDEN SERVICES HLDGS CO LTD                                | 384,000                   | 181,549                     | (339,000)   | 226,549                   |
| CSC FINANCIAL CO LTD-H  | -                         | 205,500                     | (205,500)   | -                         |
| CSOP FTSE CHINA A50 ETF-HKD   | -                         | 6,433                       | (6,433)     | -                         |
| CSOP HANG SENG TECH INDEX ETF                                       | -                         | 29,400                      | (29,400)    | -                         |
| CSOP SZSE CHINEXT ETF-HKD   | -                         | 164,800                     | (164,800)   | -                         |
| CSPC PHARMACEUTICAL GROUP LTD                                       | -                         | 92,000                      | (92,000)    | -                         |
| ENN ENERGY HLDGS LTD  | -                         | 24,400                      | (24,400)    | -                         |
| EVEREST MEDICINES LTD   | -                         | 1,000                       | (1,000)     | -                         |
| EXCELLENCE COMMERCIAL PROPERTY & FACILITIES<br>MANAGEMENT GROUP LTD | -                         | 46,000                      | (46,000)    | -                         |
| FLAT GLASS GROUP CO LTD-H   | -                         | 262,000                     | (262,000)   | -                         |
| FRONTAGE HLDGS CORP   | -                         | 528,000                     | (528,000)   | -                         |
| GALAXY ENTERTAINMENT GROUP LTD                                      | -                         | 32,000                      | (32,000)    | -                         |
| GANFENG LITHIUM CO LTD-H  | -                         | 209,400                     | (194,200)   | 15,200                    |
| GEELY AUTOMOBILE HLDGS LTD  | 50,000                    | 118,000                     | (50,000)    | 118,000                   |

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|--|---------------------------|----------------------|-------------|---------------------------|
|  |                           | Additions            | Disposals   |                           |
| <b>Listed equity securities - Hong Kong – (continued)</b>  |                           |                      |             |                           |
| GLOBAL X ETF SERIES-GLOBAL X CHINA BIOTECH ETF-HKD         | -                         | 42,550               | (42,550)    | -                         |
| GLOBAL X ETF SERIES-GLOBAL X CHINA CLOUD COMPUTING ETF-HKD | -                         | 27,750               | (27,750)    | -                         |
| HAIDILAO INTL HLDG LTD                                     | -                         | 120,000              | (75,000)    | 45,000                    |
| HAIER ELECTRONICS GROUP CO LTD (ACQUIRED)                  | -                         | 291,000              | (291,000)   | -                         |
| HANG SENG CHINA ENTERPRISES INDEX ETF                      | -                         | 32,200               | (32,200)    | -                         |
| HANSOH PHARMACEUTICAL GROUP CO LTD                         | -                         | 104,000              | (104,000)   | -                         |
| HENGAN INTL GROUP CO LTD                                   | -                         | 35,500               | (35,500)    | -                         |
| HK ELECTRIC INVESTMENTS AND HK ELECTRIC INVESTMENT LTD     | -                         | 958,000              | (958,000)   | -                         |
| HKT TRUST AND HKT LTD                                      | -                         | 665,000              | (665,000)   | -                         |
| HONG KONG EXCHANGES & CLEARING LTD                         | 38                        | 49,500               | (49,538)    | -                         |
| HONG KONG TELEVISION NETWORK LTD                           | -                         | 158,000              | (158,000)   | -                         |
| HSBC HLDGS PLC   | -                         | 455,600              | -           | 455,600                   |
| HYGEIA HEALTHCARE HLDGS CO LTD                             | -                         | 43,600               | (43,600)    | -                         |
| INDUSTRIAL & COMMERCIAL BK OF CHINA-H                      | 443,000                   | -                    | (443,000)   | -                         |
| INNOVENT BIOLOGICS INC (B)                                 | -                         | 420,000              | (261,000)   | 159,000                   |
| JD HEALTH INTL INC   | -                         | 54,750               | (9,450)     | 45,300                    |
| JIUMAOJIU INTL HLDGS LTD                                   | -                         | 53,000               | (53,000)    | -                         |
| JOY SPREADER INTERACTIVE TECHNOLOGY LTD                    | -                         | 314,000              | (314,000)   | -                         |
| JS GLOBAL LIFESTYLE CO LTD                                 | -                         | 71,000               | (71,000)    | -                         |
| KANGJI MEDICAL HLDGS LTD                                   | -                         | 3,000                | (3,000)     | -                         |
| KERRY LOGISTICS NETWORK LTD                                | -                         | 78,000               | (78,000)    | -                         |
| KINGDEE INTL SOFTWARE GROUP CO LTD                         | -                         | 803,500              | (803,500)   | -                         |
| KINGSOFT CORP LTD  | -                         | 125,000              | (125,000)   | -                         |
| KOOLEARN TECHNOLOGY HLDG LTD                               | 89,000                    | 263,000              | (352,000)   | -                         |
| KWG GROUP HLDGS LTD  | -                         | 757,500              | (757,500)   | -                         |
| KWG GROUP HLDGS LTD-RIGHTS (EX 07OCT2020)                  | -                         | 13,566               | (13,566)    | -                         |
| KWG LIVING GROUP HLDGS LTD                                 | -                         | 318,816              | (318,816)   | -                         |
| LI NING CO LTD   | -                         | 26,500               | (26,500)    | -                         |
| L'OCCITANE INTL SA   | 121,500                   | -                    | (121,500)   | -                         |
| LONGFOR GROUP HLDGS LTD                                    | -                         | 202,500              | (202,500)   | -                         |
| MEITUAN-CLASS B  | 125,300                   | 94,500               | (154,600)   | 65,200                    |
| MICROPORT SCIENTIFIC CORP                                  | -                         | 452,000              | (291,000)   | 161,000                   |
| MING YUAN CLOUD GROUP HLDGS LTD                            | -                         | 191,000              | (64,000)    | 127,000                   |
| NETDRAGON WEBSOFT HLDGS LTD                                | -                         | 77,500               | (77,500)    | -                         |
| NINE DRAGONS PAPER HLDGS LTD                               | -                         | 199,000              | (199,000)   | -                         |
| NONGFU SPRING CO LTD-H                                     | -                         | 225,200              | (63,600)    | 161,600                   |
| PAX GLOBAL TECHNOLOGY LTD                                  | -                         | 53,000               | (53,000)    | -                         |
| PETROCHINA CO LTD-H  | 658,000                   | 1,268,000            | (1,926,000) | -                         |
| PING AN HEALTHCARE AND TECHNOLOGY CO LTD                   | 37,300                    | 127,500              | (164,800)   | -                         |

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|---|---------------------------|-----------------------------|-------------|---------------------------|
|   |                           | Additions                   | Disposals   |                           |
| <b>Listed equity securities - Hong Kong – (continued)</b> |                           |                             |             |                           |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H                 | 150,500                   | 38,500                      | (189,000)   | -                         |
| POP MART INTL GROUP LTD                                   | -                         | 8,600                       | (8,600)     | -                         |
| Q TECHNOLOGY GROUP CO LTD                                 | 335,000                   | -                           | (335,000)   | -                         |
| RAZER INC   | -                         | 3,459,000                   | (2,850,000) | 609,000                   |
| SEMICONDUCTOR MANUFACTURING INTL CORP                     | 738,500                   | 896,000                     | (1,491,000) | 143,500                   |
| SHANDONG WEIGAO GROUP MEDICAL POLYMER CO LTD-H            | -                         | 59,400                      | (59,400)    | -                         |
| SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD-H              | -                         | 69,500                      | (69,500)    | -                         |
| SHANGHAI HAOHAI BIOLOGICAL TECHNOLOGY CO LTD-H            | -                         | 12,800                      | (12,800)    | -                         |
| SHENZHOU INTL GROUP HLDGS LTD                             | -                         | 23,500                      | (23,500)    | -                         |
| SINO BIOPHARMACEUTICAL LTD                                | 938,000                   | 486,000                     | (1,424,000) | -                         |
| SINOPEC SHANGHAI PETROCHEMICAL CO LTD-H                   | -                         | 954,000                     | (954,000)   | -                         |
| SOHO CHINA LTD  | -                         | 1,121,500                   | (1,121,500) | -                         |
| SUN HUNG KAI PROPERTIES LTD                               | -                         | 81,500                      | (81,500)    | -                         |
| SUNAC CHINA HLDGS LTD                                     | 209,000                   | 17,000                      | (226,000)   | -                         |
| SUNEVISION HLDGS LTD                                      | -                         | 736,000                     | (736,000)   | -                         |
| SUNNY OPTICAL TECHNOLOGY GROUP CO LTD                     | -                         | 21,400                      | (21,400)    | -                         |
| TCL ELECTRONICS HLDGS LTD                                 | -                         | 139,000                     | (139,000)   | -                         |
| TENCENT HLDGS LTD   | 16,900                    | 40,700                      | (25,000)    | 32,600                    |
| TIMES CHINA HLDGS LTD                                     | -                         | 127,000                     | (127,000)   | -                         |
| TRACKER FUND OF HONG KONG                                 | 235,500                   | 130,500                     | (366,000)   | -                         |
| TSINGTAO BREWERY CO LTD-H                                 | -                         | 16,000                      | (16,000)    | -                         |
| VENUS MEDTECH HANGZHOU INC-H                              | -                         | 22,500                      | (22,500)    | -                         |
| VINDA INTL HLDGS LTD                                      | -                         | 45,000                      | (45,000)    | -                         |
| WEIMOB INC  | -                         | 2,500,000                   | (2,397,000) | 103,000                   |
| WHARF HLDGS LTD   | -                         | 57,000                      | (57,000)    | -                         |
| WUXI APPTTEC CO LTD-H                                     | -                         | 87,300                      | (87,300)    | -                         |
| WUXI BIOLOGICS CAYMAN INC                                 | -                         | 318,500                     | (93,000)    | 225,500                   |
| XD INC  | -                         | 21,200                      | (21,200)    | -                         |
| XIAOMI CORP-CLASS B SHARE                                 | 332,400                   | 1,218,400                   | (921,600)   | 629,200                   |
| XINYI SOLAR HLDGS LTD                                     | -                         | 1,118,000                   | (322,000)   | 796,000                   |
| YIHAI INTL HLDG LTD                                       | -                         | 25,000                      | (25,000)    | -                         |
| ZHONGAN ONLINE P & C INSURANCE CO LTD-H                   | 203,800                   | 110,300                     | (314,100)   | -                         |
| ZHONGSHENG GROUP HLDGS LTD                                | 354,000                   | 146,000                     | (377,000)   | 123,000                   |
| ZIJIN MINING GROUP CO LTD-H                               | -                         | 316,000                     | (316,000)   | -                         |
| ZTE CORP-H  | -                         | 127,000                     | (127,000)   | -                         |
| <b>Listed equity securities - Japan</b>                   |                           |                             |             |                           |
| NINTENDO CO LTD   | -                         | 1,133                       | (1,133)     | -                         |

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| <b>Listed equity securities - United States</b>     |                           |                      |           |                           |
| ADVANCED MICRO DEVICES INC                          | -                         | 15,971               | (10,871)  | 5,100                     |
| ALIBABA GROUP HLDG LTD-SPONSORED ADR                | 8,587                     | 8,106                | (7,663)   | 9,030                     |
| ALPHABET INC-CL A                                   | -                         | 200                  | (200)     | -                         |
| AMAZON.COM INC                                      | -                         | 1,191                | (1,191)   | -                         |
| APPLE INC   | -                         | 3,850                | (3,850)   | -                         |
| ARK INNOVATION ETF                                  | -                         | 4,100                | (4,100)   | -                         |
| ATLASSIAN CORP PLC                                  | -                         | 1,300                | (1,300)   | -                         |
| BAIDU INC-ADR                                       | -                         | 4,774                | (2,974)   | 1,800                     |
| BEIGENE LTD-ADR                                     | -                         | 400                  | (400)     | -                         |
| BEYOND MEAT INC                                     | -                         | 5,700                | (5,700)   | -                         |
| BILIBILI INC-ADR                                    | -                         | 100,627              | (80,800)  | 19,827                    |
| BIONTECH SE-SPONSORED ADR                           | -                         | 3,000                | (3,000)   | -                         |
| BOEING CO   | -                         | 6,650                | -         | 6,650                     |
| CANOPY GROWTH CORP                                  | -                         | 12,700               | (12,700)  | -                         |
| CITRIX SYSTEMS INC                                  | -                         | 2,706                | (2,706)   | -                         |
| COSTCO WHOLESALE CORP                               | -                         | 600                  | (600)     | -                         |
| DADA NEXUS LTD-SPONSORED ADR                        | -                         | 29,000               | (29,000)  | -                         |
| DIREXION DAILY CSI 300 CHINA A SHARE BULL 2X SHARES | -                         | 46,492               | (46,492)  | -                         |
| DIREXION DAILY GOLD MINERS BULL 3X SHARES           | 29,900                    | 3,800                | (33,700)  | -                         |
| DIREXION DAILY SEMICONDUCTORS BULL 3X SHARES        | 2,538                     | 9,289                | (11,827)  | -                         |
| DIREXION DAILY SMALL CAP BULL 3X SHARES             | -                         | 25,094               | (25,094)  | -                         |
| DIREXION DAILY TECHNOLOGY BULL 3X SHARES            | -                         | 2,765                | (2,765)   | -                         |
| DRAFTKINGS INC-CL A                                 | -                         | 6,300                | (6,300)   | -                         |
| ENERGY SELECT SECTOR SPDR FUND                      | -                         | 9,300                | (9,300)   | -                         |
| FINANCIAL SELECT SECTOR SPDR FUND                   | -                         | 6,200                | (6,200)   | -                         |
| FUTU HLDGS LTD-SPONSORED ADR                        | -                         | 34,438               | (23,758)  | 10,680                    |
| GDS HLDGS LTD-SPONSORED ADR                         | -                         | 12,341               | (12,341)  | -                         |
| GILEAD SCIENCES INC                                 | -                         | 10,491               | (10,491)  | -                         |
| GSX TECHEDU INC-SPONSORED ADR                       | -                         | 17,946               | (17,946)  | -                         |
| II-VI INC   | -                         | 2,400                | -         | 2,400                     |
| INVESCO CHINA TECHNOLOGY ETF                        | -                         | 17,103               | (17,103)  | -                         |
| INVESCO SOLAR ETF                                   | -                         | 16,378               | (9,078)   | 7,300                     |
| IQIYI INC-SPONSORED ADR                             | -                         | 36,600               | (36,600)  | -                         |
| ISHARES 20+ YEAR TREASURY BOND ETF                  | -                         | 8,700                | (8,700)   | -                         |
| ISHARES 7-10 YEAR TREASURY BOND ETF                 | -                         | 2,179                | (2,179)   | -                         |
| ISHARES MORTGAGE REAL ESTATE ETF                    | -                         | 11,900               | (11,900)  | -                         |
| ISHARES MSCI CHINA ETF                              | -                         | 52,041               | (52,041)  | -                         |
| ISHARES MSCI TAIWAN ETF                             | -                         | 2,700                | (2,700)   | -                         |
| ISHARES NASDAQ BIOTECHNOLOGY ETF                    | -                         | 3,500                | (3,500)   | -                         |
| JD.COM INC-ADR                                      | 27,600                    | 38,022               | (36,363)  | 29,259                    |

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| <b>Listed equity securities - United States - (continued)</b> |                           |                             |           |                           |
| KE HLDGS INC-SPONSORED ADR                                    | -                         | 34,956                      | (6,657)   | 28,299                    |
| KINGSOFT CLOUD HLDGS LTD-SPONSORED ADR                        | -                         | 7,000                       | (7,000)   | -                         |
| KRANESHARES CSI CHINA INTERNET FUND                           | -                         | 40,676                      | (40,676)  | -                         |
| LI AUTO INC-SPONSORED ADR                                     | -                         | 15,320                      | (15,320)  | -                         |
| LUCKIN COFFEE INC-SPONSORED ADR                               | -                         | 7,900                       | (7,900)   | -                         |
| MICRON TECHNOLOGY INC   | -                         | 16,700                      | -         | 16,700                    |
| MICROSOFT CORP  | -                         | 13,327                      | (13,327)  | -                         |
| MOODY'S CORP  | -                         | 800                         | (800)     | -                         |
| MSCI INC  | -                         | 2,420                       | (2,420)   | -                         |
| NETEASE INC-ADR   | -                         | 3,104                       | (3,104)   | -                         |
| NETFLIX INC   | -                         | 4,080                       | (4,080)   | -                         |
| NEW ORIENTAL EDUCATION & TECHNOLOGY-ADR                       | -                         | 800                         | (800)     | -                         |
| NIKE INC-CL B   | -                         | 5,116                       | (5,116)   | -                         |
| NIO INC-SPONSORED ADR   | -                         | 63,656                      | (17,778)  | 45,878                    |
| NVIDIA CORP   | -                         | 3,182                       | (3,182)   | -                         |
| PAYPAL HLDGS INC  | -                         | 2,500                       | (2,500)   | -                         |
| PINDUODUO INC-SPONSORED ADR                                   | 10,100                    | 28,190                      | (20,470)  | 17,820                    |
| PINTEREST INC-CL A  | -                         | 2,400                       | (2,400)   | -                         |
| PLUG POWER INC  | -                         | 32,400                      | -         | 32,400                    |
| PROCTER & GAMBLE CO   | -                         | 1,600                       | (1,600)   | -                         |
| PROSHARES ULTRA S&P500  | 8,300                     | -                           | (8,300)   | -                         |
| PROSHARES ULTRAPRO QQQ  | 19,845                    | 14,908                      | (34,753)  | -                         |
| PROSHARES ULTRAPRO S&P 500                                    | 7,100                     | 1,200                       | (8,300)   | -                         |
| ROKU INC  | -                         | 500                         | (500)     | -                         |
| SALESFORCE.COM INC  | -                         | 1,380                       | (1,380)   | -                         |
| SEA LTD-ADR   | -                         | 5,100                       | (5,100)   | -                         |
| SHOPIFY INC-CL A  | -                         | 3,646                       | (3,646)   | -                         |
| SLACK TECHNOLOGIES INC-CL A                                   | -                         | 8,078                       | (8,078)   | -                         |
| SNOWFLAKE INC-CL A  | -                         | 2,275                       | (750)     | 1,525                     |
| SPLUNK INC  | -                         | 1,300                       | (1,300)   | -                         |
| SPOTIFY TECHNOLOGY SA   | -                         | 2,233                       | (2,233)   | -                         |
| SQUARE INC-A  | -                         | 1,400                       | (1,400)   | -                         |
| TAIWAN SEMICONDUCTOR MANUFACTURING CO-ADR                     | -                         | 13,968                      | (13,968)  | -                         |
| TAL EDUCATION GROUP-ADR                                       | 4,800                     | 20,364                      | (25,164)  | -                         |
| TENCENT HLDGS LTD-UNSPONSORED ADR                             | -                         | 900                         | (900)     | -                         |
| TENCENT MUSIC ENTERTAINMENT GROUP-ADR                         | -                         | 15,800                      | (15,800)  | -                         |
| TESLA INC   | -                         | 9,142                       | (4,287)   | 4,855                     |
| TRADE DESK INC-CL A   | -                         | 500                         | (500)     | -                         |
| TRIP.COM GROUP LTD-ADR  | -                         | 4,800                       | (4,800)   | -                         |
| UBER TECHNOLOGIES INC   | -                         | 33,400                      | (33,400)  | -                         |



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| <b>Listed equity securities - United States - (continued)</b> |                           |                             |              |                           |
| US GLOBAL JETS ETF  | -                         | 15,900                      | (15,900)     | -                         |
| VIPSHOP HLDGS LTD-ADR   | -                         | 13,856                      | (13,856)     | -                         |
| VIRGIN GALACTIC HLDGS INC                                     | -                         | 6,000                       | (6,000)      | -                         |
| WALMART INC   | -                         | 673                         | (673)        | -                         |
| WALT DISNEY CO  | -                         | 5,100                       | (3,100)      | 2,000                     |
| YATSEN HLDG LTD-SPONSORED ADR                                 | -                         | 19,600                      | (10,200)     | 9,400                     |
| YUM CHINA HLDGS INC   | -                         | 2,629                       | (2,629)      | -                         |
| ZAI LAB LTD-ADR   | -                         | 5,600                       | (1,500)      | 4,100                     |
| ZOOM VIDEO COMMUNICATIONS INC-CL A                            | -                         | 13,096                      | (10,906)     | 2,190                     |
| ZTO EXPRESS CAYMAN INC-SPONSORED ADR                          | -                         | 17,400                      | (17,400)     | -                         |
| <b>Quoted warrant - Hong Kong</b>                             |                           |                             |              |                           |
| HT-INNOVENT BIOLOGICS INC (B) CALL WTS 13JAN2021              | -                         | 1,500,000                   | (1,500,000)  | -                         |
| HT-JIUMAOJIU INTL HLDGS LTD CALL WTS 03MAR2021                | -                         | 750,000                     | (750,000)    | -                         |
| JP-CHINAAMC CSI 300 INDEX CALL WTS 26FEB2021                  | -                         | 1,500,000                   | (1,500,000)  | -                         |
| JP-INNOVENT BIOLOGICS INC (B) CALL WTS 14JAN2021              | -                         | 1,500,000                   | (1,500,000)  | -                         |
| JP-INNOVENT BIOLOGICS INC (B) CALL WTS 30APR2021              | -                         | 15,000,000                  | (10,000,000) | 5,000,000                 |
| JP-SUN HUNG KAI PROPERTIES LTD CALL WTS 01DEC2020             | -                         | 2,000,000                   | (2,000,000)  | -                         |
| SG-BYD CO LTD-H CALL WTS 22MAR2021                            | -                         | 500,000                     | -            | 500,000                   |
| SG-SUN HUNG KAI PROPERTIES LTD CALL WTS 15APR2021             | -                         | 500,000                     | -            | 500,000                   |
| <b>Listed option - Hong Kong</b>                              |                           |                             |              |                           |
| ALIBABA GROUP HLDG LTD FEB2020 CALL OPTION 225                | -                         | 120                         | (120)        | -                         |
| ALIBABA GROUP HLDG LTD MAR2020 CALL OPTION 210                | -                         | 90                          | (90)         | -                         |
| ALIBABA GROUP HLDG LTD MAR2020 CALL OPTION 225                | -                         | 60                          | (60)         | -                         |
| ALIBABA GROUP HLDG LTD MAY2020 PUT OPTION 185                 | -                         | (112)                       | 112          | -                         |
| ALIBABA GROUP HLDG LTD 30JUL2020 CALL OPTION 240              | -                         | (150)                       | 150          | -                         |
| ALIBABA GROUP HLDG LTD 30JUL2020 CALL OPTION 260              | -                         | 130                         | (130)        | -                         |
| ALIBABA GROUP HLDG LTD SEP2020 CALL OPTION 280                | -                         | 110                         | (110)        | -                         |
| BYD CO LTD-H JUL2020 CALL OPTION 97.5                         | -                         | 30                          | (30)         | -                         |
| BYD CO LTD-H AUG2020 CALL OPTION 87.5                         | -                         | 40                          | (40)         | -                         |
| CHINA EVERGRANDE GROUP JUL2020 CALL OPTION 26                 | -                         | 50                          | (50)         | -                         |
| CHINA EVERGRANDE GROUP JUL2020 CALL OPTION 30                 | -                         | 175                         | (175)        | -                         |
| CHINA LIFE INSURANCE CO LTD-H JAN2021 CALL OPTION 18          | -                         | 550                         | -            | 550                       |
| CHINA MOBILE LTD MAR2020 CALL OPTION 67.5                     | -                         | 460                         | (460)        | -                         |
| CHINA MOBILE LTD MAR2020 CALL OPTION 70                       | -                         | 200                         | (200)        | -                         |
| CHINA OVERSEAS LAND & INVESTMENT LTD JUL2020 CALL OPTION 25   | -                         | 90                          | (90)         | -                         |
| CHINA OVERSEAS LAND & INVESTMENT LTD JUL2020 CALL OPTION 26   | -                         | 40                          | (40)         | -                         |
| CHINA OVERSEAS LAND & INVESTMENT LTD JUL2020 CALL OPTION 29   | -                         | 250                         | (250)        | -                         |

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|   |                           | Additions                   | Disposals |                           |
| <b>Listed option - Hong Kong - (continued)</b>              |                           |                             |           |                           |
| CHINA OVERSEAS LAND & INVESTMENT LTD AUG2020 CALL OPTION 27 | -                         | 50                          | (50)      | -                         |
| CHINAAMC CSI 300 INDEX ETF MAR2020 CALL OPTION 48           | -                         | 120                         | (120)     | -                         |
| CHINAAMC CSI 300 INDEX ETF MAR2020 CALL OPTION 50           | -                         | 50                          | (50)      | -                         |
| CHINAAMC CSI 300 INDEX ETF JUL2020 CALL OPTION 49           | -                         | 90                          | (90)      | -                         |
| CITIC SECURITIES CO LTD JUL2020 CALL OPTION 18              | -                         | 240                         | (240)     | -                         |
| CITIC SECURITIES CO LTD JUL2020 CALL OPTION 19.5            | -                         | 100                         | (100)     | -                         |
| CITIC SECURITIES CO LTD JUL2020 CALL OPTION 21              | -                         | 50                          | (50)      | -                         |
| CITIC SECURITIES CO LTD JAN2021 CALL OPTION 18              | -                         | 339                         | -         | 339                       |
| CNOOC LTD MAR2021 CALL OPTION 7.5                           | -                         | 200                         | -         | 200                       |
| CSOP FTSE CHINA A50 ETF MAR2020 CALL OPTION 16              | -                         | 100                         | (100)     | -                         |
| CSPC PHARMACEUTICAL GROUP LTD FEB2020 CALL OPTION 20        | -                         | 50                          | (50)      | -                         |
| GEELY AUTOMOBILE HLDGS LTD AUG2020 CALL OPTION 21           | -                         | 10                          | (10)      | -                         |
| HANG SENG CHINA ENTERPRISES INDEX JUL2020 CALL OPTION 11000 | -                         | 30                          | (30)      | -                         |
| HANG SENG INDEX 27FEB2020 CALL OPTION 27800                 | -                         | (20)                        | 20        | -                         |
| HANG SENG INDEX 27FEB2020 CALL OPTION 28000                 | -                         | (90)                        | 90        | -                         |
| HANG SENG INDEX 27FEB2020 CALL OPTION 28200                 | -                         | (30)                        | 30        | -                         |
| HANG SENG INDEX 27FEB2020 PUT OPTION 26400                  | -                         | 30                          | (30)      | -                         |
| HANG SENG INDEX 27FEB2020 PUT OPTION 26800                  | -                         | 60                          | (60)      | -                         |
| HANG SENG INDEX 27FEB2020 PUT OPTION 27000                  | -                         | 50                          | (50)      | -                         |
| HANG SENG INDEX 30MAR2020 CALL OPTION 27400                 | -                         | 34                          | (34)      | -                         |
| HANG SENG INDEX 30MAR2020 CALL OPTION 27600                 | -                         | 12                          | (12)      | -                         |
| HANG SENG INDEX 30MAR2020 CALL OPTION 27800                 | -                         | 70                          | (70)      | -                         |
| HANG SENG INDEX 30MAR2020 PUT OPTION 24800                  | -                         | (18)                        | 18        | -                         |
| HANG SENG INDEX 30MAR2020 PUT OPTION 25000                  | -                         | (10)                        | 10        | -                         |
| HANG SENG INDEX 30MAR2020 PUT OPTION 25200                  | -                         | (39)                        | 39        | -                         |
| HANG SENG INDEX 29JUN2020 PUT OPTION 21600                  | -                         | 50                          | (50)      | -                         |
| HONG KONG EXCHANGES & CLEARING LTD FEB2020 CALL OPTION 270  | -                         | 480                         | (480)     | -                         |
| HONG KONG EXCHANGES & CLEARING LTD FEB2020 CALL OPTION 280  | -                         | 80                          | (80)      | -                         |
| HONG KONG EXCHANGES & CLEARING LTD FEB2020 CALL OPTION 285  | -                         | 100                         | (100)     | -                         |
| HONG KONG EXCHANGES & CLEARING LTD JUL2020 CALL OPTION 390  | -                         | 370                         | (370)     | -                         |
| HONG KONG EXCHANGES & CLEARING LTD SEP2020 PUT OPTION 300   | -                         | (50)                        | 50        | -                         |
| JD.COM INC 30JUL2020 CALL OPTION 255                        | -                         | (60)                        | 60        | -                         |
| JD.COM INC 30JUL2020 CALL OPTION 270                        | -                         | 55                          | (55)      | -                         |
| MEITUAN DIANPING-CLASS B FEB2020 CALL OPTION 110            | -                         | 20                          | (20)      | -                         |
| MEITUAN DIANPING-CLASS B FEB2020 CALL OPTION 115            | -                         | 85                          | (85)      | -                         |
| MEITUAN DIANPING-CLASS B MAR2020 CALL OPTION 105            | -                         | 190                         | (190)     | -                         |

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| <b>Listed option - Hong Kong - (continued)</b>                      |                           |                             |           |                           |
| MEITUAN DIANPING-CLASS B JUL2020 CALL OPTION 195                    | -                         | (100)                       | 100       | -                         |
| MEITUAN DIANPING-CLASS B JUL2020 CALL OPTION 200                    | -                         | 70                          | (70)      | -                         |
| MEITUAN DIANPING-CLASS B JUN2020 CALL OPTION 177.5                  | -                         | (60)                        | 60        | -                         |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H MAR2020 CALL OPTION 102.5 | -                         | 40                          | (40)      | -                         |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H MAR2020 CALL OPTION 95    | -                         | 200                         | (200)     | -                         |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H JUL2020 CALL OPTION 82.5  | -                         | 250                         | (250)     | -                         |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H JUL2020 CALL OPTION 90    | -                         | 630                         | (630)     | -                         |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H JUL2020 CALL OPTION 92.5  | -                         | 90                          | (90)      | -                         |
| SUNAC CHINA HLDGS LTD JUL2020 CALL OPTION 42                        | -                         | 80                          | (80)      | -                         |
| SUNAC CHINA HLDGS LTD JUL2020 CALL OPTION 46                        | -                         | 100                         | (100)     | -                         |
| TENCENT HLDGS LTD FEB2020 CALL OPTION 400                           | -                         | 500                         | (500)     | -                         |
| TENCENT HLDGS LTD MAR2020 CALL OPTION 390                           | -                         | 100                         | (100)     | -                         |
| TENCENT HLDGS LTD MAR2020 CALL OPTION 410                           | -                         | 310                         | (310)     | -                         |
| TENCENT HLDGS LTD 30JUL2020 CALL OPTION 560                         | -                         | (200)                       | 200       | -                         |
| XIAOMI CORP-CLASS B SHARE FEB2020 CALL OPTION 11.5                  | -                         | 370                         | (370)     | -                         |
| XIAOMI CORP-CLASS B SHARE FEB2020 CALL OPTION 12                    | -                         | 257                         | (257)     | -                         |
| XIAOMI CORP-CLASS B SHARE FEB2020 CALL OPTION 13.5                  | -                         | (251)                       | 251       | -                         |
| XIAOMI CORP-CLASS B SHARE MAR2020 CALL OPTION 12                    | -                         | 50                          | (50)      | -                         |
| XIAOMI CORP-CLASS B SHARE MAR2020 CALL OPTION 12.5                  | -                         | 150                         | (150)     | -                         |
| XIAOMI CORP-CLASS B SHARE MAR2020 CALL OPTION 13.5                  | -                         | 351                         | (351)     | -                         |
| XIAOMI CORP-CLASS B SHARE MAR2020 CALL OPTION 14                    | -                         | 100                         | (100)     | -                         |
| XIAOMI CORP-CLASS B SHARE MAR2020 CALL OPTION 14.5                  | -                         | 400                         | (400)     | -                         |
| XIAOMI CORP-CLASS B SHARE JUL2020 CALL OPTION 17.5                  | -                         | 500                         | (500)     | -                         |
| XIAOMI CORP-CLASS B SHARE JUL2020 CALL OPTION 18.5                  | -                         | 180                         | (180)     | -                         |
| XIAOMI CORP-CLASS B SHARE AUG2020 CALL OPTION 18.5                  | -                         | 200                         | (200)     | -                         |
| JD.COM INC 30JUL2020 CALL OPTION 270                                | -                         | 55                          | (55)      | -                         |
| MEITUAN DIANPING-CLASS B FEB2020 CALL OPTION 110                    | -                         | 20                          | (20)      | -                         |
| MEITUAN DIANPING-CLASS B FEB2020 CALL OPTION 115                    | -                         | 85                          | (85)      | -                         |
| MEITUAN DIANPING-CLASS B MAR2020 CALL OPTION 105                    | -                         | 190                         | (190)     | -                         |
| MEITUAN DIANPING-CLASS B JUN2020 CALL OPTION 177.5                  | -                         | (60)                        | 60        | -                         |
| MEITUAN DIANPING-CLASS B JUL2020 CALL OPTION 195                    | -                         | (100)                       | 100       | -                         |
| MEITUAN DIANPING-CLASS B JUL2020 CALL OPTION 200                    | -                         | 70                          | (70)      | -                         |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H MAR2020 CALL OPTION 102.5 | -                         | 40                          | (40)      | -                         |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H MAR2020 CALL OPTION 95    | -                         | 200                         | (200)     | -                         |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H JUL2020 CALL OPTION 82.5  | -                         | 250                         | (250)     | -                         |

# CFund - China Equity

## (A Sub-Fund of CFund)

Annual Report and Financial Statements  
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|  | At 31<br>December<br>2019 | <u>Movement in holdings</u> |           | At 31<br>December<br>2020 |
|--|---------------------------|-----------------------------|-----------|---------------------------|
|  |                           | Additions                   | Disposals |                           |
| <b>Listed option - Hong Kong - (continued)</b>                     |                           |                             |           |                           |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H JUL2020 CALL OPTION 90   | -                         | 630                         | (630)     | -                         |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H JUL2020 CALL OPTION 92.5 | -                         | 90                          | (90)      | -                         |
| SUNAC CHINA HLDGS LTD JUL2020 CALL OPTION 42                       | -                         | 80                          | (80)      | -                         |
| SUNAC CHINA HLDGS LTD JUL2020 CALL OPTION 46                       | -                         | 100                         | (100)     | -                         |
| TENCENT HLDGS LTD FEB2020 CALL OPTION 400                          | -                         | 500                         | (500)     | -                         |
| TENCENT HLDGS LTD MAR2020 CALL OPTION 390                          | -                         | 100                         | (100)     | -                         |
| TENCENT HLDGS LTD MAR2020 CALL OPTION 410                          | -                         | 310                         | (310)     | -                         |
| TENCENT HLDGS LTD 30JUL2020 CALL OPTION 560                        | -                         | (200)                       | 200       | -                         |
| XIAOMI CORP-CLASS B SHARE FEB2020 CALL OPTION 11.5                 | -                         | 370                         | (370)     | -                         |
| XIAOMI CORP-CLASS B SHARE FEB2020 CALL OPTION 12                   | -                         | 257                         | (257)     | -                         |
| XIAOMI CORP-CLASS B SHARE FEB2020 CALL OPTION 13.5                 | -                         | (251)                       | 251       | -                         |
| XIAOMI CORP-CLASS B SHARE MAR2020 CALL OPTION 12                   | -                         | 50                          | (50)      | -                         |
| XIAOMI CORP-CLASS B SHARE MAR2020 CALL OPTION 12.5                 | -                         | 150                         | (150)     | -                         |
| XIAOMI CORP-CLASS B SHARE MAR2020 CALL OPTION 13.5                 | -                         | 351                         | (351)     | -                         |
| XIAOMI CORP-CLASS B SHARE MAR2020 CALL OPTION 14                   | -                         | 100                         | (100)     | -                         |
| XIAOMI CORP-CLASS B SHARE MAR2020 CALL OPTION 14.5                 | -                         | 400                         | (400)     | -                         |
| XIAOMI CORP-CLASS B SHARE JUL2020 CALL OPTION 17.5                 | -                         | 500                         | (500)     | -                         |
| XIAOMI CORP-CLASS B SHARE JUL2020 CALL OPTION 18.5                 | -                         | 180                         | (180)     | -                         |
| XIAOMI CORP-CLASS B SHARE AUG2020 CALL OPTION 18.5                 | -                         | 200                         | (200)     | -                         |
| <b>Listed option - China</b>                                       |                           |                             |           |                           |
| MORGAN STANLEY CSI300 INDEX 20APR2020 CALL OPTION CNY4339.419      | -                         | 2,822                       | (2,822)   | -                         |
| MORGAN STANLEY CSI300 INDEX 20APR2020 CALL OPTION CNY4546.058      | -                         | (2,822)                     | 2,822     | -                         |
| <b>Listed futures - Singapore</b>                                  |                           |                             |           |                           |
| SGX FTSE CHINA A50 INDEX FUTURE JAN2020                            | 55                        | 71                          | (126)     | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE FEB2020                            | -                         | (200)                       | 200       | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE MAR2020                            | -                         | 345                         | (345)     | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE APR2020                            | -                         | 169                         | (169)     | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE MAY2020                            | -                         | 169                         | (169)     | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE JUN2020                            | -                         | 169                         | (169)     | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE JUL2020                            | -                         | 10                          | (10)      | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE AUG2020                            | -                         | 20                          | (20)      | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE SEP2020                            | -                         | 20                          | (20)      | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE OCT2020                            | -                         | 90                          | (90)      | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE NOV2020                            | -                         | 110                         | (110)     | -                         |
| SGX FTSE CHINA A50 INDEX FUTURE DEC2020                            | -                         | 110                         | (110)     | -                         |

## CFund - China Equity

### (A Sub-Fund of CFund)

Annual Report and Financial Statements  
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|  | At 31<br>December<br>2019 | <u>Movement in holdings</u> |           | At 31<br>December<br>2020 |
|--|---------------------------|-----------------------------|-----------|---------------------------|
|  |                           | Additions                   | Disposals |                           |
| <b>Listed currency futures - China</b>           |                           |                             |           |                           |
| USD/CNH FUTURE MAR2020                           | 64                        | -                           | (64)      | -                         |
| USD/CNH FUTURE MAY2020                           | -                         | 22                          | (22)      | -                         |
| USD/CNH FUTURE JUN2020                           | -                         | 32                          | (32)      | -                         |
| USD/CNH FUTURE JUL2020                           | -                         | 13                          | (13)      | -                         |
| USD/CNH FUTURE SEP2020                           | -                         | 45                          | (45)      | -                         |
| USD/CNH FUTURE DEC2020                           | -                         | 45                          | (45)      | -                         |
| USD/CNH FUTURE MAR2021                           | -                         | 45                          | -         | 45                        |
| <b>Listed index futures - Hong Kong</b>          |                           |                             |           |                           |
| HANG SENG CHINA ENTERPRISES INDEX FUTURE JAN2020 | 25                        | -                           | (25)      | -                         |
| HANG SENG CHINA ENTERPRISES INDEX FUTURE MAR2020 | -                         | 22                          | (22)      | -                         |
| HANG SENG CHINA ENTERPRISES INDEX FUTURE JUL2020 | -                         | 45                          | (45)      | -                         |
| HANG SENG CHINA ENTERPRISES INDEX FUTURE AUG2020 | -                         | 25                          | (25)      | -                         |
| HANG SENG CHINA ENTERPRISES INDEX FUTURE SEP2020 | -                         | 25                          | (25)      | -                         |
| HANG SENG INDEX FUTURE JAN2020                   | 30                        | 1                           | (31)      | -                         |
| HANG SENG INDEX FUTURE FEB2020                   | -                         | (35)                        | 35        | -                         |
| HANG SENG INDEX FUTURE MAR2020                   | -                         | (91)                        | 91        | -                         |
| HANG SENG INDEX FUTURE APR2020                   | -                         | 43                          | (43)      | -                         |
| HANG SENG INDEX FUTURE MAY2020                   | -                         | 33                          | (33)      | -                         |
| HANG SENG INDEX FUTURE MAY2020-MORGAN STANLEY    | -                         | (2)                         | 2         | -                         |
| HANG SENG INDEX FUTURE JUN2020                   | -                         | 24                          | (24)      | -                         |
| HANG SENG INDEX FUTURE JUL2020                   | -                         | (8)                         | 8         | -                         |
| HANG SENG INDEX FUTURE AUG2020                   | -                         | 17                          | (17)      | -                         |
| HANG SENG INDEX FUTURE SEP2020                   | -                         | (15)                        | 15        | -                         |
| HANG SENG INDEX FUTURE OCT2020                   | -                         | 20                          | (20)      | -                         |
| HANG SENG INDEX FUTURE NOV2020                   | -                         | (41)                        | 41        | -                         |
| HANG SENG INDEX FUTURE DEC2020                   | -                         | (41)                        | 41        | -                         |
| HANG SENG INDEX FUTURE JAN2021                   | -                         | (31)                        | 16        | (15)                      |
| <b>Listed futures – Taiwan</b>                   |                           |                             |           |                           |
| MSCI TAIWAN STOCK INDEX FUTURE MAR2020           | -                         | 20                          | (20)      | -                         |
| <b>Listed futures - United States</b>            |                           |                             |           |                           |
| CBOE VOLATILITY INDEX FUTURE FEB2020             | -                         | 31                          | (31)      | -                         |
| CBOE VOLATILITY INDEX FUTURE MAR2020             | -                         | 56                          | (56)      | -                         |
| CBOE VOLATILITY INDEX FUTURE JUN2020             | -                         | 80                          | (80)      | -                         |
| CBOE VOLATILITY INDEX FUTURE JUL2020             | -                         | 80                          | (80)      | -                         |
| CBOE VOLATILITY INDEX FUTURE AUG2020             | -                         | 80                          | (80)      | -                         |
| CBOE VOLATILITY INDEX FUTURE SEP2020             | -                         | 49                          | (49)      | -                         |

## CFund - China Equity

### (A Sub-Fund of CFund)

Annual Report and Financial Statements  
Statement of Movements in Investment (Unaudited) – (continued)  
As at 31 December 2020

|   | At 31<br>December<br>2019 | <u>Movement in holdings</u> |           | At 31<br>December<br>2020 |
|---|---------------------------|-----------------------------|-----------|---------------------------|
|   |                           | Additions                   | Disposals |                           |
| <b>Listed futures - United States - (continued)</b>       |                           |                             |           |                           |
| CBOE VOLATILITY INDEX FUTURE OCT2020                      | -                         | (21)                        | 21        | -                         |
| CBOE VOLATILITY INDEX FUTURE NOV2020                      | -                         | 79                          | (79)      | -                         |
| CBOE VOLATILITY INDEX FUTURE DEC2020                      | -                         | 46                          | (46)      | -                         |
| CBOE VOLATILITY INDEX FUTURE JAN2021                      | -                         | 164                         | (38)      | 126                       |
| CBOE VOLATILITY INDEX FUTURE FEB2021                      | -                         | (41)                        | 41        | -                         |
| CBOE VOLATILITY INDEX FUTURE APR2021                      | -                         | (116)                       | -         | (116)                     |
| CBOE VOLATILITY INDEX FUTURE MAY2021                      | -                         | (10)                        | -         | (10)                      |
| CME ULTRA LONG TERM US TREASURY BOND FUTURE (CBT) MAR2020 | -                         | 8                           | (8)       | -                         |
| CME ULTRA LONG TERM US TREASURY BOND FUTURE (CBT) JUN2020 | -                         | 8                           | (8)       | -                         |
| CME ULTRA LONG TERM US TREASURY BOND FUTURE (CBT) SEP2020 | -                         | 3                           | (3)       | -                         |
| E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE JUN2020            | -                         | (15)                        | 15        | -                         |
| E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE SEP2020            | -                         | 43                          | (43)      | -                         |
| E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE DEC2020            | -                         | 20                          | (20)      | -                         |
| E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE MAR2021            | -                         | 10                          | -         | 10                        |
| EMINI RUSSELL 2000 INDEX FUTURE DEC2020                   | -                         | 55                          | (55)      | -                         |
| EMINI RUSSELL 2000 INDEX FUTURE MAR2021                   | -                         | 22                          | -         | 22                        |
| GOLD 100 OZ FUTURE FEB2020                                | 29                        | 2                           | (31)      | -                         |
| GOLD 100 OZ FUTURE MAR2020                                | -                         | 54                          | (54)      | -                         |
| GOLD 100 OZ FUTURE APR2020                                | -                         | 30                          | (30)      | -                         |
| GOLD 100 OZ FUTURE JUN2020                                | -                         | 42                          | (42)      | -                         |
| GOLD 100 OZ FUTURE AUG2020                                | -                         | 55                          | (55)      | -                         |
| GOLD 100 OZ FUTURE OCT2020                                | -                         | 55                          | (55)      | -                         |
| GOLD 100 OZ FUTURE DEC2020                                | -                         | 55                          | (55)      | -                         |
| GOLD 100 OZ FUTURE FEB2021                                | -                         | 56                          | -         | 56                        |
| NASDAQ 100 E-MINI FUTURE SEP2020                          | -                         | (26)                        | 26        | -                         |
| NASDAQ 100 E-MINI FUTURE DEC2020                          | -                         | (29)                        | 29        | -                         |
| NASDAQ 100 E-MINI FUTURE MAR2021                          | -                         | (14)                        | -         | (14)                      |
| S&P 500 EMINI FUTURE JUN2020                              | -                         | 13                          | (13)      | -                         |
| S&P 500 EMINI FUTURE JUN2020-MORGAN STANLEY               | -                         | (7)                         | 7         | -                         |
| S&P 500 EMINI FUTURE SEP2020-MORGAN STANLEY               | -                         | (16)                        | 16        | -                         |
| ULTRA 10-YEAR US TREASURY NOTE FUTURE (CBT) MAR2020       | -                         | 19                          | (19)      | -                         |
| ULTRA 10-YEAR US TREASURY NOTE FUTURE (CBT) JUN2020       | -                         | 13                          | (13)      | -                         |
| US DOLLAR INDEX FUTURE MAR2020                            | -                         | 10                          | (10)      | -                         |
| US TREASURY LONG BOND FUTURE (CBT) MAR2020                | -                         | 23                          | (23)      | -                         |
| US TREASURY LONG BOND FUTURE (CBT) JUN2020                | -                         | 20                          | (20)      | -                         |
| US TREASURY LONG BOND FUTURE (CBT) SEP2020                | -                         | 18                          | (18)      | -                         |

## CFund - China Equity

### (A Sub-Fund of CFund)

Annual Report and Financial Statements  
Statement of Movements in Investment (Unaudited) – (continued)  
As at 31 December 2020

|   | At 31<br>December<br>2019 | Movement in holdings |           | At 31<br>December<br>2020 |
|---|---------------------------|----------------------|-----------|---------------------------|
|   |                           | Additions            | Disposals |                           |
| <b>Listed debt securities - United States</b>                       |                           |                      |           |                           |
| KWG GROUP HLDGS LTD 9.85% S/A 26NOV2020                             | -                         | 400,000              | (400,000) | -                         |
| <b>Listed debt securities - China</b>                               |                           |                      |           |                           |
| XIAOMI BEST TIME INTL LTD 3.375% S/A 29APR2030 REGS                 | -                         | 400,000              | -         | 400,000                   |
| SUNAC CHINA HLDGS LTD 7.875% S/A 15FEB2022                          | -                         | 400,000              | -         | 400,000                   |
| <b>Quoted Equity Swap - China</b>                                   |                           |                      |           |                           |
| SWAP MS200204 CHINA A HEALTHCARE INDEX (MSAPCAHL)                   | -                         | 2,935                | (2,935)   | -                         |
| SWAP MS200204 CHINA A TECHNOLOGY INDEX (MSAPCATH)                   | -                         | 3,739                | (3,739)   | -                         |
| SWAP MS200205 STAR BOARD TRACKING INDEX (MSAPSTAR)                  | -                         | 3,105                | (3,105)   | -                         |
| SWAP MS200217 CHINEXT TRACKER INDEX (MSPKCHNX)                      | -                         | 3,820                | (3,820)   | -                         |
| SWAP STAR BOARD TRACKING INDEX (MSPCSTAR) 20200407                  | -                         | 1,606                | (1,606)   | -                         |
| SWAP YIHAI KERRY ARAWANA HOLDINGS CO LTD-A<br>(CH.300999) 02NOV2022 | -                         | 101,600              | -         | 101,600                   |
| <b>Quoted Equity Swap - Hong Kong</b>                               |                           |                      |           |                           |
| SWAP CUSTOM MEDICAL DEVICES (MSPCCMED)                              | -                         | 918                  | (918)     | -                         |
| SWAP MSPCINND   | -                         | 906                  | (906)     | -                         |
| <b>Quoted Equity Swap - Taiwan</b>                                  |                           |                      |           |                           |
| SWAP ALCHIP TECHNOLOGIES LTD (TT.3661) 20200520                     | -                         | 50,000               | (50,000)  | -                         |
| SWAP UNIMICRON TECHNOLOGY CORP (TT.3037) 20200731                   | -                         | 464,000              | (289,000) | 175,000                   |
| <b>Quoted EquitySwap - Koera</b>                                    |                           |                      |           |                           |
| SWAP MS200211 LG CHEM LTD (KS.051910)                               | -                         | 996                  | (996)     | -                         |
| SWAP SAMSUNG ELECTRONICS CO LTD (KS.005930)<br>17NOV2020            | -                         | 2,758                | (2,758)   | -                         |

## CFund - China Equity

### (A Sub-Fund of CFund)

Annual Report and Financial Statements  
 Details in respect of financial derivative instruments (Unaudited)  
 As at 31 December 2020

The Sub-Fund held the following derivative instruments with the counterparty as Morgan Stanley & Co. International plc. as at 31 December 2020

#### Underlying assets

##### **Listed currency Futures - China**

USD/CNH FUTURE MAR2021

United States Dollars / Offshore Chinese Yuan

##### **Listed index futures - Hong Kong**

HANG SENG INDEX FUTURE JAN2021

HANG SENG INDEX

##### **Listed index futures - United States**

CBOE VOLATILITY INDEX FUTURE JAN2021

CBOE VOLATILITY INDEX

CBOE VOLATILITY INDEX FUTURE APR2021

CBOE VOLATILITY INDEX

CBOE VOLATILITY INDEX FUTURE MAY2021

CBOE VOLATILITY INDEX

E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE MAR2021

DOW JONES INDUSTRIAL AVERAGE

EMINI RUSSELL 2000 INDEX FUTURE MAR2021

RUSSELL 2000 INDEX

GOLD 100 OZ FUTURE FEB2021

GOLD

NASDAQ 100 E-MINI FUTURE MAR2021

NASDAQ 100 INDEX

##### **Listed options - Hong Kong**

CNOOC LTD MAR2021 CALL OPTION 7.5

CNOOC LTD

CHINA LIFE INSURANCE CO LTD-H JAN2021 CALL  
 OPTION 18

CHINA LIFE INSURANCE CO LTD-H

CITIC SECURITIES CO LTD JAN2021 CALL OPTION 18

CITIC SECURITIES CO LTD

##### **Quoted Equity swap - China**

SWAP YIHAI KERRY ARAWANA HOLDINGS CO LTD-A  
 (CH.300999)

YIHAI KERRY ARAWANA HOLDINGS CO  
 LTD- A (CH.300999)

##### **Quoted Equity swap - Taiwan**

SWAP UNIMICRON TECHNOLOGY CORP (TT.3037)  
 20200731

UNIMICRON TECHNOLOGY CORP (TT.3037)



## **CFund - China Equity**

### **(A Sub-Fund of CFund)**

Annual Report and Financial Statements

Information on exposure arising from financial derivative instruments (Unaudited)

As at 31 December 2020

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund's total net asset value for the year ended 31 December 2020.

|                        | 2020<br>% of NAV |
|------------------------|------------------|
| Lowest gross exposure  | 39.07%           |
| Highest gross exposure | 96.24%           |
| Average gross exposure | 61.68%           |

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund's total net asset value for the year ended 31 December 2020.

|                      | 2020<br>% of NAV |
|----------------------|------------------|
| Lowest net exposure  | 0.96%            |
| Highest net exposure | 36.99%           |
| Average net exposure | 15.70%           |

## CFund - China Equity (A Sub-Fund of CFund)

Annual Report and Financial Statements  
Performance Table (Unaudited)  
As at 31 December 2020

### Net Asset Value

|                                     | Dealing<br>net asset<br>value | Dealing net<br>asset<br>value per<br>Units |
|-------------------------------------|-------------------------------|--|
| At 31 December 2020                 |                               |  |
| Class A HKD (Accumulation)<br>Units | HKD567,007,527                | HKD166.1071                                |
| Class A HKD (Distribution)<br>Units | HKD8,690,922                  | HKD132.7997                                |
| Class A RMB (Accumulation)<br>Unit  | RMB3,511,386                  | RMB114.3710                                |
|                                     | Dealing<br>net asset<br>value | Net asset<br>value per<br>Units            |
| At 31 December 2019                 | HKD                           | HKD  |
| Class A HKD (Accumulation)<br>Units | HKD342,360,713                | HKD109.4271                                |

### Highest and lowest net asset value per unit

|  | Highest net<br>asset value<br>per unit | Lowest net<br>asset value<br>per unit |
|--|--|---------------------------------------|
| For the year ended 31 December 2020  |  |                                       |
| Class A HKD (Accumulation) Units   | HKD166.1071                            | HKD92.1382                            |
| Class A HKD (Distribution) Units   | HKD132.7997                            | HKD100.0000                           |
| Class A RMB (Accumulation) Unit  | RMB114.3710                            | RMB100.0000                           |
|  | Highest net<br>asset value<br>per unit | Lowest net<br>asset value<br>per unit |
| For the period from 2 January 2019 (date of commencement<br>of operations) to 31 December 2019 | HKD                                    | HKD                                   |
| Class A HKD (Accumulation) Units   | 116.9666                               | 99.7196                               |