



CFund-China Equity

(a Sub-Fund of CFund)

Annual Report and Financial Statements

For the year ended 31 December 2021

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

Annual Report and Financial Statements
For the year ended 31 December 2021

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Management and Administration

Manager

Pickers Capital Management Limited
Room 1503, Grand Millennium Plaza,
No.181 - 183 Queen's Road Central,
Sheung Wan
Hong Kong

Trustee, Administrator, and Registrar

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

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Report of the Manager to the unitholders

After a strong start to the year, offshore China equities took a turn for the worse and became one of the worst performing markets globally in 2021. Overtightening in the important property sector and a series of regulatory blow-ups in the private sector hit investor confidence in China's economic outlook. Fortunately, exports remained resilient during this time, even as China-US relations remained contentious under Biden, keeping the RMB strong.

With less scope for export buffer in the new year, we expect to see an inflection point in policy direction to support economic growth. We have already seen selective easing in the property sector and increased infrastructure spending, and could potentially see further rate cuts, tax cuts and policies aimed at stimulating consumption in the coming months. The timing and magnitude of these measures will be crucial to whether China can achieve a soft landing.

2022 will likely be a choppy ride, as the US tightens while China eases (albeit only moderately). In terms of portfolio positioning, we have not yet returned to being fully invested on the back of likely weaker near-term economic growth in China and accelerated tapering in the US in the first quarter but look to gradually increase exposure as policy momentum picks up. In addition to cyclical value plays, we like longer term beneficiaries of the data era, green energy, industrial upgrade and rising brand power.

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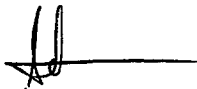
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Certificate of the Manager

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 2021, 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
22 April 2022

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

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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 2021.

A handwritten signature in black ink, appearing to read 'W. B. Wang', is written over a horizontal line.

BOCI-Prudential Trustee Limited
22 April 2022

**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, which are set out on pages 8 to 45, comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year ended 31 December 2021;
- the statement of changes in net assets attributable to unitholders for the year ended 31 December 2021;
- the statement of cash flows for the year ended 31 December 2021; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 2021, and of its financial transactions and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

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

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

Independence

We are independent of the Sub-Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA 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)

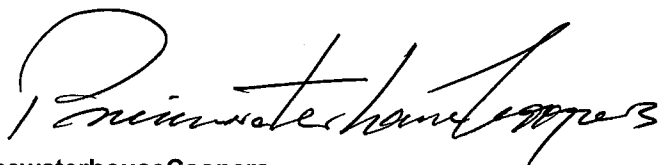
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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, 22 April 2022

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

Statement of Financial Position
As at 31 December 2021

	Notes	As at 31 December 2021 HKD	As at 31 December 2020 HKD
ASSETS			
CURRENT ASSETS			
Financial assets at fair value through profit or loss	3.1	789,285,441	524,793,905
Derivatives	3.1 and 6	640,044	13,629,938
Dividends receivable		271,280	29,394
Receivables on subscriptions		30,625	11,151,080
Prepayments		14,792	11,044
Margin deposits	8(a)	24,256,612	26,654,319
Cash collateral	8(b)	30,005,769	18,189,842
Bank balances	11(a)	23,751,603	57,361,086
TOTAL ASSETS		868,256,166	651,820,608
LIABILITIES			
CURRENT LIABILITIES			
Derivatives	3.1 and 6	1,105,450	2,643,522
Management fee payable	11(c)	1,102,833	685,475
Performance fee payable	11(d)	-	32,109,916
Trustee fee payable	11(b)	104,297	67,875
Amounts due to brokers		6,241,892	30,536,595
Amounts payable on redemption of units		196,040	156,855
Dividend payable to unitholders	12	638,367	86,909
Other payables and accruals		264,356	863,146
TOTAL LIABILITIES		9,653,235	67,150,293
NET ASSETS		858,602,931	584,670,315
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	9	858,602,931	584,670,315

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



Trustee

For and on behalf of
Pickers Capital Management Limited, Manager



Director

The notes on pages 12 to 45 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 2021

		For the year ended 31 December 2021 HKD	For the year ended 31 December 2020 HKD
	Notes		
INCOME			
Dividend income		8,725,892	1,008,603
Interest income on bonds		138,912	404,052
Interest income on bank deposits	11(a)	31,961	139,550
Net realised (loss)/gain on financial assets at fair value through profit or loss		(120,550,663)	81,775,431
Net change in unrealised (loss)/gain on financial assets at fair value through profit or loss		(124,898,205)	136,311,104
Net exchange loss		(510,980)	(915,438)
TOTAL NET INCOME		<u>(237,063,083)</u>	<u>218,723,302</u>
EXPENSES			
Management fee	11(c)	14,366,581	5,958,797
Performance fee	11(d)	230,384	32,136,161
Trustee fee	11(b)	1,341,613	595,060
Custodian fee	11(f)	288,878	108,847
Auditors' remuneration		170,680	180,000
Transaction costs		5,581,723	1,764,730
Brokers commission expenses		4,061,427	1,480,576
Legal and professional fee		-	46,676
Transaction and handling fees	11(e)	863,233	736,540
Other general expenses		371,811	364,241
TOTAL OPERATING EXPENSES		<u>27,276,330</u>	<u>43,371,628</u>
(LOSS)/PROFIT BEFORE TAX		<u>(264,339,413)</u>	<u>175,351,674</u>
Withholding taxes	10	477,844	89,078
(LOSS)/PROFIT AFTER TAX AND BEFORE DISTRIBUTION		<u>(264,817,257)</u>	<u>175,262,596</u>
Distributions to unitholders	12	<u>(2,487,114)</u>	<u>(108,059)</u>
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(267,304,371)</u>	<u>175,154,537</u>

The notes on pages 12 to 45 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 2021

	Note	For the year ended 31 December 2021 HKD	For the year ended 31 December 2020 HKD
Net assets attributable to unitholders at the beginning of the year		584,670,315	341,616,207
Subscription of units		641,968,019	141,188,345
Redemption of units		(100,731,032)	(73,288,774)
Net increase from transactions with unitholders		541,236,987	67,899,571
(Loss)/profit after tax and before distribution		(264,817,257)	175,262,596
Distribution to unitholders	12	(2,487,114)	(108,059)
Net assets attributable to unitholders at the end of the year		858,602,931	584,670,315

	<u>Class A HKD</u> <u>(Accumulation)</u> <u>Units</u>	<u>Class A HKD</u> <u>(Distribution)</u> <u>Units</u>	<u>Class A RMB</u> <u>(Accumulation)</u> <u>Units</u>
2021			
At the beginning of the year	3,446,188.0078	65,443.8432	30,701.7101
Subscriptions during the year	3,025,039.4784	628,796.0173	179,339.0005
Redemptions during the year	(578,275.4324)	(56,892.1641)	(28,097.5614)
At the end of the year	5,892,952.0538	637,347.6964	181,943.1492

	<u>Class A HKD</u> <u>(Accumulation)</u> <u>Units</u>	<u>Class A HKD</u> <u>(Distribution)</u> <u>Units</u>	<u>Class A RMB</u> <u>(Accumulation)</u> <u>Units</u>
2020			
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	3,446,188.0078	65,443.8432	30,701.7101

The notes on pages 12 to 45 are an integral part of these financial statements.

CFund - China Equity
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Statement of Cash Flows

For the year ended 31 December 2021

		For the year ended 31 December 2021 HKD	For the year ended 31 December 2020 HKD
	Notes		
Cash flows from operating activities			
(Loss)/profit before income tax		(264,339,413)	175,351,674
Adjustments for:			
Interest Income on bank deposits		(31,961)	(139,550)
Interest income on bonds		(138,912)	(404,052)
Dividend income		(8,725,892)	(1,008,603)
Withholding taxes		477,844	89,078
Net exchange loss		510,980	915,438
Operating (loss)/income before working capital changes		(272,247,354)	174,803,985
Increase in financial assets at fair value through profit and loss		(264,491,536)	(211,113,886)
Decrease/(increase) in derivatives		11,451,822	(9,981,735)
Decrease in amounts due from brokers		-	10,989,197
Decrease/(increase) in margin deposits – restricted	8(a)	5,785,142	(6,724,712)
Increase in cash collateral – restricted	8(b)	(15,113,785)	(10,944,183)
(Increase)/decrease in prepayment		(3,748)	3
Increase in management fee payable		417,358	241,177
Increase in trustee fee payable		36,422	23,445
(Decrease)/increase in amounts due to brokers		(24,294,703)	19,354,892
(Decrease)/increase in performance fee payable		(32,109,916)	27,104,574
Decrease in accounts payable and accruals		(1,094,193)	(33,441)
Cash used in operating activities		(591,664,491)	(6,280,684)
Withholding taxes paid		(460,285)	(97,415)
Dividend income received		8,484,006	1,006,999
Interest income received on bank deposits		31,961	139,550
Interest Income received on bonds		138,912	404,052
Net cash used in operating activities		(583,469,897)	(4,827,498)
Cash flows from financing activities			
Proceeds from subscription of units		653,088,474	130,037,265
Payments on redemption of units		(100,691,847)	(73,381,149)
Distributions paid to unitholders		(1,935,656)	(21,150)
Net cash generated from financing activities		550,460,971	56,634,966
Net (decrease)/increase in cash and cash equivalents		(33,008,926)	51,807,468
Cash and cash equivalents at the beginning of the year		74,972,619	24,080,589
Net exchange loss		(510,980)	(915,438)
Cash and cash equivalents at the end of the year		41,452,713	74,972,619
Analysis of Balances of Cash and Cash Equivalents:			
Cash at bank		23,751,603	57,361,086
Margin deposits - unrestricted	8(a)	13,753,309	10,365,874
Cash collateral - unrestricted	8(b)	3,947,801	7,245,659
		41,452,713	74,972,619

The notes on pages 12 to 45 are an integral part of these financial statements.

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

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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 dated 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").

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.

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.

In addition to the above mentioned principal investment of the Sub-Fund, 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.

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Notes to the Financial Statements

1. General information – (continued)

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.

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 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.

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Notes to the Financial Statements

2. Summary of significant accounting policies – (continued)

(a) Basis of preparation (continued)

Standards and amendments to existing standards effective 1 January 2021

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Sub-Fund.

New standards, amendments and interpretations effective after 1 January 2021 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 2021, 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.

(b) 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.

CFund - China Equity

(A Sub-Fund of CFund)

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Notes to the Financial Statements

2. Summary of significant accounting policies – (continued)

(b) Investments – (continued)

Recognition, derecognition and measurement (continued)

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.

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 and 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.

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

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within "Net 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 derivative contracts.

(h) Collateral

Cash collateral provided by the Sub-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.

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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) Other receivables

Other 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) Other payables and accruals

Other 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. Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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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.

As at years ended 31 December 2021 and 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 IAS 32, given that there was no subordination and they did not have identical rights.

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.

(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.

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2. Summary of significant accounting policies – (continued)

(p) 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".

(q) Distributions payable to unitholders of redeemable shares

The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends in respect of the Sub-Fund. The distribution on the redeemable shares is recognised when it is declared to the unitholders and recognised in the statement of comprehensive income.

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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 2021 and 2020.

	2021 HKD	2020 HKD
Financial assets at fair value through profit or loss		
Listed investments		
- Equities	627,484,854	512,378,207
- Exchange-traded funds	158,580,116	5,815,972
- Debt securities	3,220,471	6,599,726
	<hr/> 789,285,441	<hr/> 524,793,905
- Derivatives		
- Listed futures	12,163	3,833,366
- Listed options	-	386,610
- Quoted warrants	-	3,086,500
- Quoted equity swaps	627,881	6,323,462
	<hr/> 640,044	<hr/> 13,629,938
Financial liabilities at fair value through profit or loss		
- Derivatives		
- Listed futures	(1,105,450)	(2,643,522)
	<hr/>	<hr/>
Financial assets and liabilities at fair value through profit or loss	<hr/> 788,820,035	<hr/> 535,780,321

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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 2021 and 2020:

Note	2021		2020	
	Fair value of investment HKD	% of net asset value	Fair value of investment HKD	% of net asset value
Listed equities				
Hong Kong	342,171,389	39.85%	220,718,105	37.75%
China	119,565,593	13.93%	101,761,985	17.40%
United States	165,747,872	19.30%	72,754,841	12.44%
United States - ADR	-	-	117,143,276	20.04%
	<u>627,484,854</u>	<u>73.08%</u>	<u>512,378,207</u>	<u>87.63%</u>
Exchange-traded funds				
Hong Kong	116,792,788	13.60%	-	-
United States	41,787,328	4.87%	5,815,972	0.99%
	<u>158,580,116</u>	<u>18.47%</u>	<u>5,815,972</u>	<u>0.99%</u>
Debt securities				
China	3,220,471	0.38%	6,599,726	1.13%
Sub-total	<u>789,285,441</u>	<u>91.93%</u>	<u>524,793,905</u>	<u>89.75%</u>
Futures				
Hong Kong	(1,105,450)	(0.13%)	(662,372)	(0.11%)
Singapore	-	-	-	-
United States	12,163	0.00%	1,852,216	0.32%
6	<u>(1,093,287)</u>	<u>(0.13%)</u>	<u>1,189,844</u>	<u>0.21%</u>
Options				
Hong Kong	6	-	386,610	0.07%
Warrants				
Hong Kong	6	-	3,086,500	0.53%
Equity swaps				
China	627,881	0.07%	5,852,323	1.00%
Taiwan	-	-	471,139	0.08%
6	<u>627,881</u>	<u>0.07%</u>	<u>6,323,462</u>	<u>1.08%</u>
Total	<u>788,820,035</u>	<u>91.87%</u>	<u>535,780,321</u>	<u>91.64%</u>

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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 2021 and 2020:

	2021		2020	
	Fair value of investment HKD	% of net asset value	Fair value of investment HKD	% of net asset value
Listed equities				
Consumer discretionary	98,699,084	11.50%	165,637,267	28.33%
Consumer staples	25,855,851	3.01%	33,929,093	5.80%
Financials	65,386,356	7.61%	22,353,942	3.82%
Health care	48,831,981	5.69%	85,721,023	14.66%
Industrials	110,966,176	12.92%	59,196,154	10.12%
Information technology	133,793,205	15.58%	81,358,024	13.92%
Materials	3,916,129	0.46%	1,407,520	0.24%
Real estate	37,138,595	4.32%	25,384,677	4.34%
Telecommunication services	43,245,477	5.04%	37,390,507	6.40%
Utilities	59,652,000	6.95%	-	-
	<u>627,484,854</u>	<u>73.08%</u>	<u>512,378,207</u>	<u>87.63%</u>

As at 31 December 2021 and 2020, 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. The sensitivity of the Sub-Fund's investment in listed debt securities, refer to note 3.2.

	Estimated changes in % +/-	Effect on investment portfolio and on profit/(loss) for the period HK\$ +/-
As at 31 December 2021		
Hang Seng Index	20.00	116,434,947
As at 31 December 2020		
Hang Seng Index	23.30	79,103,792

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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 2021 and 2020, the Sub-Fund had cash and cash equivalents of HK\$23,751,603 (2020: HK\$57,361,086), margin deposits of HK\$24,256,612 (2020: HK\$26,654,319) and cash collateral HK\$30,005,769 (2020: HK\$18,189,842). If interest rates had been 10 basis points higher or lower with all other variables held constant, total comprehensive income would have been HK\$78,014 (2020: HK\$102,205) higher or lower as at 31 December 2021 and 2020.

As at 31 December 2021 and 2020, the Sub-Fund had debt securities of HK\$3,220,471 (2020: HK\$6,599,726). If interest rates had been 10 basis point higher or lower with all other variables held constant, total comprehensive income would have been HK\$22,530 (2020: HK\$26,217) higher or lower as at 31 December 2021 and 2020.

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\$242,627,047 (2020: HK\$242,362,059) 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>2021</u>		<u>2020</u>	
	Monetary HKD equivalents +/-	Non-Monetary HKD equivalents +/-	Monetary HKD equivalents +/-	Non-Monetary HKD Equivalents +/-
CNY	136,085	119,565,593	(3,032,997)	101,637,913

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>2021</u>			<u>2020</u>	
	Change +/-	Monetary HKD equivalents +/-	Non-Monetary HKD equivalents +/-		Monetary HKD equivalents +/-	Non-Monetary HKD Equivalents +/-
CNY	5%	6,804	5,978,280	5%	(151,650)	5,081,896

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 2021 and 2020, all dividend receivables, receivables on subscriptions, margin deposits, cash collateral and bank balances are held with counterparties with a credit rating of A- (2020: 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 months. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

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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 2021 and 2020 together with its credit rating:

At 31 December 2021	HKD	Credit rating	Source of credit rating
Financial assets at fair value through profit or loss and derivatives			
Bank of China (Hong Kong) Limited	789,285,441	A+	Standard & Poor's
Morgan Stanley & Co. International PLC	640,044	A+	Standard & Poor's
Margin deposits and cash collateral			
Morgan Stanley & Co. International PLC	54,262,381	A+	Standard & Poor's
Cash and cash equivalents			
Bank of China (Hong Kong) Limited	23,751,603	A+	Standard & Poor's
At 31 December 2020	HKD	Credit rating	Source of credit rating
Financial assets at fair value through profit or loss and derivatives			
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
Margin deposits and cash collateral			
Morgan Stanley & Co. International PLC	44,844,161	A+	Standard & Poor's
Cash and cash equivalents			
Bank of China (Hong Kong) Limited	57,361,086	A+	Standard & Poor's

The maximum exposure to credit risk as at 31 December 2021 and 2020 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.

	2021 Less than 3 months HKD	2020 Less than 3 months HKD
Management fee payable	1,102,833	685,475
Performance fee payable	-	32,109,916
Trustee fee payable	104,297	67,875
Amounts due to brokers	6,241,892	30,536,595
Amounts payable on redemption of units	196,040	156,855
Other payables and accruals	264,356	863,146
Dividend payable to unitholders	638,367	86,909
Net asset attributable to unitholders	858,602,931	584,670,315
	<u>867,150,716</u>	<u>649,177,086</u>

As at 31 December 2021, the total assets of the Sub-Fund amounted to HK\$868,256,166 (2020: HK\$651,280,608). 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 2021, 2 unitholders held 61% and 37% (2020: 71% and 27%) 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 2021 and 2020, 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
As at 31 December 2021						
Derivatives	640,044	-	640,044	640,044	-	-
Margin deposits	24,256,612	-	24,256,612	-	-	24,256,612
Cash collateral	30,005,769	-	30,005,769	-	-	30,005,769
	<u>54,902,425</u>	<u>-</u>	<u>54,902,425</u>	<u>640,044</u>	<u>-</u>	<u>53,796,975</u>
As at 31 December 2020						
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>

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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)	
	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	Financial instruments	Cash collateral	
	HKD	HKD	HKD	HKD	HKD	HKD
As at 31 December 2021						
Derivatives	1,105,450	-	1,105,450	640,044	-	465,406
	<u>1,105,450</u>	<u>-</u>	<u>1,105,450</u>	<u>640,044</u>	<u>-</u>	<u>465,406</u>
As at 31 December 2020						
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>

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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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 year 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 2021 and 2020:

As at 31 December 2021	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
Assets				
Financial assets at fair value through profit or loss				
Listed equities	627,484,854	-	-	627,484,854
Exchange-traded funds	158,580,116	-	-	158,580,116
Listed debt securities	3,220,471	-	-	3,220,471
	<u>789,285,441</u>	<u>-</u>	<u>-</u>	<u>789,285,441</u>
Derivatives				
- Listed futures	12,163	-	-	12,163
- Quoted equity swap	-	627,881	-	627,881
	<u>12,163</u>	<u>627,881</u>	<u>-</u>	<u>640,044</u>
Total	<u>789,297,604</u>	<u>627,881</u>	<u>-</u>	<u>789,925,485</u>
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives				
- Listed futures	(1,105,450)	-	-	(1,105,450)
Total	<u>(1,105,450)</u>	<u>-</u>	<u>-</u>	<u>(1,105,450)</u>

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3 Financial risk management (Continued)

3.7 Fair value estimation (Continued)

As at 31 December 2020	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
Assets				
Financial assets at fair value through profit or loss				
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>
Derivatives				
- 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>
Total	<u>529,013,881</u>	<u>9,409,962</u>	<u>-</u>	<u>538,423,843</u>
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives				
- Listed futures	(2,643,522)	-	-	(2,643,522)
Total	<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)

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 2021 and 2020.

There were no transfers between levels during the year ended 31 December 2021 and 2010.

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 2021 and 2020, 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 2021 and 2020.

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".

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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.

As at 31 December 2021, the Sub-Fund held futures as shown below:

Futures	Contract size	Notional value HKD	Position	Fair value HKD
Financial assets				
NASDAQ 100 E-MINI FUTURE MAR2022	2	5,089,854	Long	12,163
Financial liabilities				
HANG SENG CHINA ENTERPRISES INDEX FUTURE JAN2022	(71)	(29,347,850)	Short	(262,300)
HANG SENG INDEX FUTURE JAN2022	(80)	(93,804,000)	Short	(843,150)
				<u>(1,105,450)</u>

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

Futures	Contract size	Notional value HKD	Position	Fair value HKD
Financial assets				
E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE MAR2021	10	11,822,315	Long	149,325
EMINI RUSSELL 2000 INDEX 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>

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6. Derivatives (Continued)

Futures (Continued)

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

Financial liabilities

USD/CNH FUTURE MAR2021	45	35,062,304	Long	(124,072)
HANG SENG INDEX FUTURE JAN2021	(15)	(20,414,250)	Short	(538,300)
CBOE VOLATILITY INDEX FUTURE JAN2021	126	23,127,885	Long	(1,168,004)
CBOE VOLATILITY INDEX FUTURE APR2021	(116)	(23,338,382)	Short	(196,929)
CBOE VOLATILITY INDEX FUTURE MAY2021	(10)	(2,009,991)	Short	(56,210)
NASDAQ 100 E-MINI FUTURE MAR2021	(14)	(27,972,720)	Short	(560,007)
				<u>(2,643,522)</u>

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.

As at 31 December 2021, there was no equity options held.

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

Options	Contract size	Notional value HKD	Position	Fair value 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>

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6. Derivatives (Continued)

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 2021, there was no warrant held.

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

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

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6. Derivatives (Continued)

Equity Swaps (Continued)

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.

As at 31 December 2021, the Sub-Fund held equity swaps as shown below:

<u>Equity Swaps</u>	Holdings	Notional value HKD	Position	Fair value HKD
Financial assets				
SWAP KWEICHOW MOUTAI CO LTD-A (CH.600519) 02NOV2022	1,800	4,520,250	Long	293,973
SWAP LUXSHARE PRECISION INDUSTRY CO LTD-A (CH.002475) 02NOV2022	72,100	4,345,467	Long	120,967
SWAP TRINA SOLAR CO LTD-A (CH.688599) 02NOV2022	117,882	11,393,590	Long	210,914
SWAP ZHANGZHOU PIENTZEHUANG PHARMACEUTICAL CO LTD- A (CH.600436) 02NOV2022	12,000	6,426,105	Long	2,027
				<u>627,881</u>

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

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

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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 2021 and 2020:

Investee Funds	Fund Manager	Place of incorporation	Dealing frequency	% of net asset value of the Investee Funds as at 31 December 2021	% of net asset value of the Investee Funds as at 31 December 2020
GLOBAL X ETF SERIES-GLOBAL X CHINA CLEAN ENERGY ETF-HKD	Global X Exchange Traded Funds Series OFC	HONG KONG	Daily	0.228%	-
GLOBAL X ETF SERIES-GLOBAL X CHINA ELECTRIC VEHICLE AND BATTERY ETF-HKD	Global X Exchange Traded Funds Series OFC	HONG KONG	Daily	0.106%	-
HANG SENG CHINA ENTERPRISES INDEX ETF	Hang Seng Investment Management Ltd	HONG KONG	Daily	0.157%	-
TRACKER FUND OF HONG KONG	State Street Global Advisors Asia	HONG KONG	Daily	0.065%	-
ENERGY SELECT SECTOR SPDR FUND	State Street Bank and Trust Company	USA	Daily	0.002%	-
HEALTH CARE SELECT SECTOR SPDR FUND	State Street Bank and Trust Company	USA	Daily	0.002%	-
ISHARES MSCI CHINA ETF	BlackRock Fund Advisors	USA	Daily	0.036%	-
KRANESHARES GLOBAL CARBON ETF	Krane Funds Advisors LLC	USA	Daily	0.066%	-

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7. Unconsolidated structured entities (Continued)

The table below summaries the Sub-Fund's holdings in Investee Funds as at 31 December 2021 and 2020:

Investee Funds	Fund Manager	Place of incorporation	Dealing frequency	% of net asset value of the Investee Funds as at 31 December 2021	% of net asset value of the Investee Funds as at 31 December 2020
ROUNDHILL BALL METaverse ETF	Listed Funds Trust	USA	Daily	0.058%	-
VANGUARD VALUE ETF	The Vanguard Group	USA	Daily	0.001%	-
INVESCO SOLAR ETF	Invesco Powershares Capital	USA	Daily	-	0.019%

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.

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7. Unconsolidated structured entities (Continued)

As at 31 December 2021	Fair value HKD	% of net assets
GLOBAL X ETF SERIES-GLOBAL X CHINA CLEAN ENERGY ETF-HKD	9,198,700	1.07%
GLOBAL X ETF SERIES-GLOBAL X CHINA ELECTRIC VEHICLE AND BATTERY ETF-HKD	8,616,360	1.00%
HANG SENG CHINA ENTERPRISES INDEX ETF	34,109,568	3.97%
TRACKER FUND OF HONG KONG	64,868,160	7.56%
ENERGY SELECT SECTOR SPDR FUND	4,154,028	0.48%
HEALTH CARE SELECT SECTOR SPDR FUND	4,393,852	0.51%
ISHARES MSCI CHINA ETF	16,345,712	1.91%
KRANESHARES GLOBAL CARBON ETF	8,333,786	0.97%
ROUNDHILL BALL METAVERSE ETF	4,201,510	0.49%
VANGUARD VALUE ETF	4,358,440	0.51%
	<hr/> 158,580,116 <hr/>	<hr/> 18.47% <hr/>
As at 31 December 2020	Fair value HKD	% of net assets
INVESCO SOLAR ETF	<hr/> 5,815,972 <hr/>	<hr/> 0.99% <hr/>

As at 31 December 2021 and 2020 there were no capital commitment obligations and no amounts due to structured entities for unsettled purchases.

During the years ended 31 December 2021 and 2020, total unrealised loss of HK\$4,377,040 (2020: unrealised gain of HK\$1,717,938) and realised loss of HK\$12,109,826 (2020: unrealised gain of HK\$10,809,369) were incurred on investments in Investee Funds.

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 2021, the Sub-Fund held margin deposits of HK\$24,256,612 (2020: HK\$26,654,319) in Morgan Stanley & Co. International PLC of which HK\$10,503,303 (2020: HK\$16,288,445) is restricted.
- (b) Cash collateral represent collateral held in respect of equity swap derivative contracts. As at 31 December 2021, the Sub-Fund collateral of HK\$30,005,769 (2020: HK\$18,189,842) in Morgan Stanley & Co. International PLC of which HK\$26,057,968 (2020: HK\$10,944,183) is restricted.

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

The Sub-Fund has issued three classes of units. The number of units in issue of the Sub-Fund is classified as financial. 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 2021.

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> <u>(Accumulation)</u> <u>Units</u>	<u>Class A HKD</u> <u>(Distribution)</u> <u>Units</u>	<u>Class A RMB</u> <u>(Accumulation)</u> <u>Units</u>
2021			
At the end of the year	5,892,952.0538	637,347.6964	181,943.1492
2020			
At the end of the year	3,446,188.0078	65,443.8432	30,701.7101

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 31 December 2021 HKD	As at 31 December 2020 HKD
Net assets attributable to unitholders per unit (per statement of financial position)		
- Class A HKD (Accumulation) Units	131.6727	165.9493
- Class A HKD (Distribution) Units	99.1152	131.3434
	RMB	RMB
- Class A RMB (Accumulation) Units	87.4501	114.2601

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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 2021, the unamortised establishment costs of the Sub-Fund was HK\$371,124 (2020: HK\$556,179). 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 31 December 2021 HKD	As at 31 December 2020 HKD
Net assets attributable to unitholders as reported in the statement of financial position	858,602,931	584,670,315
Add: Adjustments for unamortised establishment costs	371,124	556,179
Adjustments for other differences (Note)		
- net redemption / (subscription)	157,792	(5,428,680)
- distribution to units holder	638,367	86,909
Dealing net asset value	<u>859,770,214</u>	<u>579,884,723</u>
Dealing net assets attributable to unitholders per unit		
- Class A HKD (Accumulation) Units	HKD131.7297	HKD166.1071
- Class A HKD (Distribution) Units	HKD100.1600	HKD132.7997
- Class A RMB (Accumulation) Units	<u>RMB87.4872</u>	<u>RMB114.3710</u>

Note: The adjustments represent the net redemption/ (subscription) and distribution to units holder which were not reflected in the dealing net asset value due to the timing difference as at 31 December 2021 and 31 December 2020.

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.

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10. Taxation (Continued)

(c) Other jurisdictions

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

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 2021, the Sub-Fund placed bank deposits and investments amounted to HK\$23,751,603 (2020: HK\$57,361,086) and HK\$789,285,441 (2020: HK\$527,880,405) respectively with Bank of China (Hong Kong) Limited, a connected person of the Trustee. For the year ended 31 December 2021, bank interest income amounted to HK\$12,933 (2020: HK\$14,299) has been earned by the Sub-Fund.
- (b) Trustee fee is charged by the Trustee of the Sub-Fund and the maximum amount of which is equal 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 years ended 31 December 2021 and 2020, the trustee rate is 0.15% per annum on the first HK\$500 million, 0.125% per annum on the next HK\$500 million and 0.11% per annum thereafter. During the year ended 31 December 2021, trustee fee amounting to HK\$1,341,613 (2020: HK\$595,060) was paid to the Trustee of the Sub-Fund. As at 31 December 2021, trustee fee payable amounted to HK\$104,297 (2020: HK\$67,875).
- (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 2021, management fee amounting to HK\$14,366,581 (2020: HK\$5,958,797) was charged by the Manager of the Sub-Fund. As at 31 December 2021, management fee payable amounted to HK\$1,102,833 (2020: HK\$685,475).
- (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 2021, performance fee amounting to HK\$230,384 (2020: HK\$32,136,161) was charged by the Manager of the Sub-Fund. As at 31 December 2021, there was no performance fee payable (2020: HK\$32,109,916).

- (e) In addition to the trustee fee disclosed in Note 11b, the Sub-Fund had following additional transactions with trustee during the year ended 31 December 2021 and 31 December 2020.

	2021 HKD	2020 HKD
Transaction handling fees	320,340	279,920
Foreign Account Tax Compliance Act ("FATCA") service fees	10,000	20,000
Distribution handling fee	200	100

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

(f) During the year ended 31 December 2021, custodian fee, bank charges and transaction fees amounted to HK\$288,878 (2020: HK\$108,847), HK\$24,076 (2020: HK\$21,400) and HK\$542,893 (2020: HK\$456,620) respectively were charged by the custodian.

(g) Investment transactions with connected person of the Manager

	Aggregate value of purchases and sales of securities HKD	Total commission paid to connected person of the Manager HKD	% of Sub-Fund's total transactions during the year %	Average commission rate %
2021 Centaline Securities Limited	364,358,501	163,961	5.95%	0.045%
2020 Centaline Securities Limited	75,290,661	35,788	1.69%	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 2021 and 2020, the holdings in the Sub-Fund by the Manager and its connected persons was as follow:

	Number of Class A HKD (Accumulation) 2021 Units	Number of Class A HKD (Accumulation) 2020 Units
Manager		
As at 1 January 2020 and 1 January 2021	1,000.0000	1,000.0000
Units subscribed during the year	-	-
As at 31 December 2020 and 31 December 2021	<u>1,000.0000</u>	<u>1,000.0000</u>
	Number of Class A HKD (Accumulation) 2021 Units	Number of Class A HKD (Accumulation) 2020 Units
Connected persons of the Manager		
As at 1 January 2020 and 1 January 2021	250,000.0000	250,000.0000
Units subscribed during the year	3,505.8491	-
As at 31 December 2020 and 31 December 2021	<u>253,505.8491</u>	<u>250,000.0000</u>

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12. Distributions

	For the year ended 31 December 2021 HKD	For the year ended 31 December 2020 HKD
Undistributed income at the beginning for the year	-	-
(Loss)/profit after tax and before distribution	(264,817,257)	175,262,596
Distributions to unitholders	(2,487,114)	(108,059)
Undistributed loss transferred from/income transferred to net assets attributable to unitholders for the year	267,304,371	(175,154,537)
Undistributed loss/income carried forward at the ending of the year	-	-

As at 31 December 2021, distribution payable to unitholders amounted to HK\$638,367 (2020: HK\$86,909).

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

Declaration date	2021 HKD per unit	Declaration date	2020 HKD per unit
8 April 2021	1.2487	3 July 2020	1.0467
2 July 2021	1.2543	5 October 2020	1.1220
4 October 2021	1.0571	4 January 2021	1.3280
3 January 2022	1.0016		

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 (2020: 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 (2020: 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 2021.

15. Approval of the financial statements

The financial statements were approved and authorised for issue by Trustee and the Manager on 22 April 2022.

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	Holdings	Market value HKD	Net asset value %
Listed equity securities - China			
CHINA NORTHERN RARE EARTH GROUP HI-TECH CO LTD-A	69,800	3,916,129	0.46%
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	43,105	31,048,532	3.63%
FOSHAN HAITIAN FLAVOURING & FOOD CO LTD-A	32,272	4,155,335	0.48%
GOERTEK INC-A	285,091	18,893,693	2.20%
KWEICHOW MOUTAI CO LTD-A	6,885	17,289,956	2.01%
LONGI GREEN ENERGY TECHNOLOGY CO LTD-A	85,943	9,075,151	1.06%
SUNGROW POWER SUPPLY CO LTD-A	91,567	16,354,324	1.90%
WILL SEMICONDUCTOR LTD-A	11,600	4,416,042	0.51%
ZHANGZHOU PIENZEHUANG PHARMACEUTICAL CO LTD-A	26,921	14,416,431	1.68%
		119,565,593	13.93%

	Holdings	Market value HKD	Net asset value %
Listed equity securities - Hong Kong			
BYD CO LTD-H	52,000	13,863,200	1.61%
CHINA ENERGY ENGINEERING CORP LTD-H	8,326,000	10,990,320	1.28%
CHINA EVERBRIGHT ENVIRONMENT GROUP LTD	1,430,000	8,951,800	1.04%
CHINA LONGYUAN POWER GROUP CORP LTD-H	963,000	17,526,600	2.04%
CHINA MERCHANTS PORTS HLDGS CO LTD	318,000	4,515,600	0.53%
CHINA RESOURCES POWER HLDGS CO	1,614,000	42,125,400	4.91%
CIFI HLDGS GROUP CO LTD	1,432,300	6,717,487	0.78%
CIMC ENRIC HLDGS LTD	948,000	10,750,320	1.25%
COSCO SHIPPING HLDGS CO LTD-H	584,000	8,830,080	1.03%
COUNTRY GARDEN SERVICES HLDGS CO LTD	382,649	17,869,708	2.08%
COWELL E HLDGS INC	704,000	9,250,560	1.08%
DONGFANG ELECTRIC CORP LTD-H	447,000	5,864,640	0.68%
GCL POLY ENERGY HLDGS LTD	1,586,000	4,488,380	0.52%
GF SECURITIES CO LTD-H	459,400	6,826,684	0.80%
HSBC HLDGS PLC	719,200	33,730,480	3.93%
JD.COM INC	33,750	9,247,500	1.08%
LI NING CO LTD	319,500	27,269,325	3.18%
LONGFOR GROUP HLDGS LTD	342,000	12,551,400	1.46%
LUOYANG GLASS CO LTD-H	530,000	9,296,200	1.08%
PING AN INSURANCE GROUP CO OF CHINA LTD-H	365,000	20,494,750	2.39%
SKYWORTH GROUP LTD	802,000	4,378,920	0.51%
TENCENT HLDGS LTD	76,300	34,853,840	4.06%
WANT WANT CHINA HLDGS LTD	616,000	4,410,560	0.51%
WEICHA POWER CO LTD-H	286,000	4,364,360	0.51%
WUXI BIOLOGICS CAYMAN INC	140,500	13,003,275	1.51%
		342,171,389	39.85%

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	Holdings	Market value HKD	Net asset value %
Listed equity securities - United States			
ADVANCED MICRO DEVICES INC	14,568	16,344,287	1.90%
APPLE INC	9,943	13,765,509	1.60%
BROADCOM INC	1,600	8,300,697	0.97%
CVS HEALTH CORP	5,300	4,262,776	0.50%
HP INC	30,600	8,987,156	1.05%
II-VI INC	7,900	4,208,659	0.49%
INTERACTIVE BROKERS GROUP INC-CL A	7,000	4,334,442	0.50%
LAM RESEARCH CORP	700	3,924,847	0.46%
META PLATFORMS INC-CL A	3,200	8,391,637	0.98%
MICRON TECHNOLOGY INC	25,071	18,207,896	2.11%
NVIDIA CORP	6,075	13,930,328	1.62%
PFIZER INC	37,250	17,149,499	2.00%
TESLA INC	5,333	43,940,139	5.12%
		165,747,872	19.30%

	Holdings	Market value HKD	Net asset value %
Exchange-traded fund – Hong Kong			
GLOBAL X ETF SERIES-GLOBAL X CHINA CLEAN ENERGY ETF-HKD	59,500	9,198,700	1.07%
GLOBAL X ETF SERIES-GLOBAL X CHINA ELECTRIC VEHICLE AND BATTERY ETF-HKD	47,200	8,616,360	1.00%
HANG SENG CHINA ENTERPRISES INDEX ETF	408,400	34,109,568	3.97%
TRACKER FUND OF HONG KONG	2,758,000	64,868,160	7.56%
		116,792,788	13.60%

	Holdings	Market value HKD	Net asset value %
Exchange-traded fund - United States			
ENERGY SELECT SECTOR SPDR FUND	9,600	4,154,028	0.48%
HEALTH CARE SELECT SECTOR SPDR FUND	4,000	4,393,852	0.51%
ISHARES MSCI CHINA ETF	33,400	16,345,712	1.91%
KRANESHARES GLOBAL CARBON ETF	21,000	8,333,786	0.97%
ROUNDHILL BALL METAVERSE ETF	35,500	4,201,510	0.49%
VANGUARD VALUE ETF	3,800	4,358,440	0.51%
		41,787,328	4.87%

	Holdings	Market value HKD	Accrual Interest HKD	Net asset value %
Listed debt securities – China				
XIAOMI BEST TIME INTL LTD 3.375% S/A 29APR2030 REGS	400,000	3,202,344	18,127	0.38%
		3,202,344	18,127	0.38%

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	Contract size	Market value HKD	Net asset value %
<u>Quoted equity swap - China</u>			
SWAP KWEICHOW MOUTAI CO LTD-A (CH.600519) 02NOV2022	1,800	293,973	0.03%
SWAP LUXSHARE PRECISION INDUSTRY CO LTD-A (CH2475) 02NOV2022	72,100	120,967	0.01%
SWAP TRINA SOLAR CO LTD-A (CH.688599) 02NOV2022	117,882	210,914	0.03%
SWAP ZHANGZHOU PIENTZHUANG PHARMACEUTICAL CO LTD-A (CH.600436) 02NOV2022	12,000	2,027	0.00%
		627,881	0.07%
	Contract size	Fair value HKD	Net asset value %
<u>Listed index futures - United States</u>			
NASDAQ 100 E-MINI FUTURE MAR2022	2	12,163	0.00%
Total financial assets at fair value through profit or loss		789,925,485	92.00%
	Contract size	Fair value HKD	Net asset value %
<u>Listed index futures - Hong Kong</u>			
HANG SENG CHINA ENTERPRISES INDEX FUTURE JAN2022	(71)	(262,300)	(0.03%)
HANG SENG INDEX FUTURE JAN2022	(80)	(843,150)	(0.10%)
		(1,105,450)	(0.13%)
Total financial assets and liabilities at fair value through profit or loss		788,820,035	91.87%
Other net assets		69,782,896	8.13%
Total net assets		858,602,931	100.00%
Total financial assets at fair value through profit or loss at cost		733,766,484	

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

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	At 31 December 2020	Movement in holdings		At 31 December 2021
		Additions	Disposals	
Listed equity securities - China				
AIER EYE HOSPITAL GROUP CO LTD-A	108,938	416,046	(524,984)	-
ASYMCHAM LABORATORIES TIANJIN CO LTD-A	-	7,200	(7,200)	-
BEIJING VENUSTECH INC-A	-	56,989	(56,989)	-
BOE TECHNOLOGY GROUP CO LTD-A	-	1,006,489	(1,006,489)	-
BY-HEALTH CO LTD-A	-	65,900	(65,900)	-
CHINA JUSHI CO LTD-A	-	18,857	(18,857)	-
CHINA NORTHERN RARE EARTH GROUP HI-TECH CO LTD-A	-	1,418,160	(1,348,360)	69,800
CHINA TOURISM GROUP DUTY FREE CORP LTD-A	20,200	82,709	(102,909)	-
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	55,705	44,400	(57,000)	43,105
EAST MONEY INFORMATION CO LTD-A	-	143,562	(143,562)	-
ESTUN AUTOMATION CO LTD-A	-	334,673	(334,673)	-
FOSHAN HAITIAN FLAVOURING & FOOD CO LTD-A	8,500	127,765	(103,993)	32,272
GOERTEK INC-A	-	629,391	(344,300)	285,091
GUANGZHOU TINCI MATERIALS TECHNOLOGY CO LTD-A	-	120,676	(120,676)	-
HANGZHOU SILAN MICROELECTRONICS CO LTD-A	-	250,827	(250,827)	-
JIANGSU HENGRUI MEDICINE CO LTD-A	59,695	160,895	(220,590)	-
KWEICHOW MOUTAI CO LTD-A	6,490	17,685	(17,290)	6,885
LONGI GREEN ENERGY TECHNOLOGY CO LTD-A	49,381	527,311	(490,749)	85,943
POWER CONSTRUCTION CORP OF CHINA LTD-A	-	847,003	(847,003)	-
S F HLDG CO LTD-A	155,186	185,386	(340,572)	-
SANAN OPTOELECTRONICS CO LTD-A	-	21,854	(21,854)	-
SANGFOR TECHNOLOGIES INC-A	-	5,596	(5,596)	-
SHENZHEN MINDRAY BIO-MEDICAL ELECTRONICS CO LTD-A	22,234	62,145	(84,379)	-
STARPOWER SEMICONDUCTOR LTD-A	-	8,000	(8,000)	-
SUNGROW POWER SUPPLY CO LTD-A	-	255,585	(164,018)	91,567
TBEA CO LTD-A	-	67,247	(67,247)	-
THUNDER SOFTWARE TECHNOLOGY CO LTD-A	-	112,874	(112,874)	-
TIANJIN ZHONGHUA SEMICONDUCTOR CO LTD-A	-	149,578	(149,578)	-
TONGWEI CO LTD-A	-	108,759	(108,759)	-
WANHUA CHEMICAL GROUP CO LTD-A	-	56,549	(56,549)	-
WILL SEMICONDUCTOR LTD-A	-	48,606	(37,006)	11,600
WUXI SHANGJI AUTOMATION CO LTD-A	-	7,137	(7,137)	-
YIHAI KERRY ARAWANA HOLDINGS CO LTD-A	26,700	45,542	(72,242)	-
ZHANGZHOU PIENZEHUANG PHARMACEUTICAL CO LTD-A	-	68,821	(41,900)	26,921

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	At 31 December 2020	Movement in holdings		At 31 December 2021
		Additions	Disposals	
Listed equity securities - Hong Kong				
AK MEDICAL HLDGS LTD	-	1,050,000	(1,050,000)	-
AKESO INC	-	224,000	(224,000)	-
ALIBABA GROUP HLDG LTD	-	7,500	(7,500)	-
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	284,000	528,000	(812,000)	-
ALUMINUM CORP OF CHINA LTD-H	-	4,772,000	(4,772,000)	-
ANGANG STEEL CO LTD-H	-	1,134,000	(1,134,000)	-
ANGELALIGN TECHNOLOGY INC	-	14,600	(14,600)	-
ANHUI CONCH CEMENT CO LTD-H	-	204,500	(204,500)	-
ANTA SPORTS PRODUCTS LTD	114,900	183,000	(297,900)	-
AVICHINA INDUSTRY & TECHNOLOGY CO LTD-H	-	1,269,000	(1,269,000)	-
BEIGENE LTD	19,000	74,900	(93,900)	-
BRII BIOSCIENCES LTD	-	199,500	(199,500)	-
BYD CO LTD-H	7,000	219,000	(174,000)	52,000
BYD ELECTRONIC (INTL) CO LTD	-	41,000	(41,000)	-
CANSINO BIOLOGICS INC-H	-	14,600	(14,600)	-
CHINA BLUECHEMICAL LTD-H	-	1,170,000	(1,170,000)	-
CHINA COMMUNICATIONS SERVICES CORP-H	-	988,000	(988,000)	-
CHINA CONSTRUCTION BANK CORP-H	-	2,935,000	(2,935,000)	-
CHINA EDUCATION GROUP HLDGS LTD	-	839,000	(839,000)	-
CHINA ENERGY ENGINEERING CORP LTD-H	-	8,326,000	-	8,326,000
CHINA EVERBRIGHT ENVIRONMENT GROUP LTD	-	1,430,000	-	1,430,000
CHINA GAS HLDGS LTD	-	387,000	(387,000)	-
CHINA ISOTOPE & RADIATION CORP	-	23,800	(23,800)	-
CHINA LITERATURE LTD	-	293,400	(293,400)	-
CHINA LONGYUAN POWER GROUP CORP LTD-H	-	2,476,000	(1,513,000)	963,000
CHINA MENGNIU DAIRY CO LTD	31,000	78,000	(109,000)	-
CHINA MERCHANTS BANK CO LTD-H	-	39,500	(39,500)	-
CHINA MERCHANTS PORTS HLDGS CO LTD	-	318,000	-	318,000
CHINA MOLYBDENUM CO LTD-H	-	2,472,000	(2,472,000)	-
CHINA OVERSEAS LAND & INVESTMENT LTD	-	474,500	(474,500)	-
CHINA PETROLEUM & CHEMICAL CORP-H	-	4,714,000	(4,714,000)	-
CHINA POWER INTL DEVELOPMENT LTD	-	199,000	(199,000)	-
CHINA RAILWAY GROUP LTD-H	-	523,000	(523,000)	-
CHINA RESOURCES BEER HLDGS CO LTD	20,000	302,000	(322,000)	-
CHINA RESOURCES MIXC LIFESTYLE SERVICES LTD	-	588,800	(588,800)	-
CHINA RESOURCES POWER HLDGS CO	-	2,554,000	(940,000)	1,614,000
CHINA SHENHUA ENERGY CO LTD-H	-	597,000	(597,000)	-
CHINA TRADITIONAL CHINESE MEDICINE HLDGS CO LTD	-	508,000	(508,000)	-
CHINA VANKE CO LTD-H	-	448,000	(448,000)	-
CHINA XLX FERTILISER LTD	-	342,000	(342,000)	-

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	At 31 December 2020	Movement in holdings		At 31 December 2021
		Additions	Disposals	
Listed equity securities - Hong Kong – (continued)				
CHINA YOUZAN LTD	1,284,000	3,648,000	(4,932,000)	-
CHINAAMC CSI 300 INDEX ETF	-	276,800	(276,800)	-
CHINASOFT INTL LTD	-	168,000	(168,000)	-
CHOW TAI FOOK JEWELLERY GROUP LTD	-	410,800	(410,800)	-
CIFI HLDGS GROUP CO LTD	-	2,008,300	(576,000)	1,432,300
CIFI HLDGS GROUP CO LTD-RIGHTS (EX 25NOV2021 TO 08DEC-15DEC2021)	-	86,300	(86,300)	-
CIMC ENRIC HLDGS LTD	-	1,322,000	(374,000)	948,000
CITIC LTD	-	1,828,000	(1,828,000)	-
CITIC SECURITIES CO LTD-H	-	139,500	(139,500)	-
CNOOC LTD	-	400,000	(400,000)	-
COFCO JOYCOME FOODS LTD	-	4,867,000	(4,867,000)	-
COSCO SHIPPING ENERGY TRANSPORTATION CO LTD-H	-	768,000	(768,000)	-
COSCO SHIPPING HLDGS CO LTD-H	-	584,000	-	584,000
COUNTRY GARDEN HLDGS CO LTD	-	58,000	(58,000)	-
COUNTRY GARDEN SERVICES HLDGS CO LTD	226,549	1,002,000	(845,900)	382,649
COWELL E HLDGS INC	-	943,000	(239,000)	704,000
CRRC CORP LTD-H	-	1,657,000	(1,657,000)	-
CSOP FTSE CHINA A50 ETF-HKD	-	775,600	(775,600)	-
CSOP HANG SENG TECH INDEX ETF	-	4,394,400	(4,394,400)	-
CSOP HUATAI-PINEBRIDGE CSI PHOTOVOLTAIC INDUSTRY ETF	-	150,500	(150,500)	-
DONGFANG ELECTRIC CORP LTD-H	-	1,400,000	(953,000)	447,000
DONGYUE GROUP LTD	-	4,771,000	(4,771,000)	-
FLAT GLASS GROUP CO LTD-H	-	422,000	(422,000)	-
GANFENG LITHIUM CO LTD-H	15,200	129,600	(144,800)	-
GCL POLY ENERGY HLDGS LTD	-	3,973,000	(2,387,000)	1,586,000
GEELY AUTOMOBILE HLDGS LTD	118,000	166,000	(284,000)	-
GENSCRIPT BIOTECH CORP	-	534,000	(534,000)	-
GF SECURITIES CO LTD-H	-	1,242,600	(783,200)	459,400
GLOBAL X CHINA SEMICONDUCTOR ETF	-	129,750	(129,750)	-
GLOBAL X ETF SERIES-GLOBAL X CHINA BIOTECH ETF- HKD	-	45,600	(45,600)	-
GLOBAL X ETF SERIES-GLOBAL X CHINA CLEAN ENERGY ETF-HKD	-	65,400	(5,900)	59,500
GLOBAL X ETF SERIES-GLOBAL X CHINA ELECTRIC VEHICLE AND BATTERY ETF-HKD	-	74,350	(27,150)	47,200
GOME RETAIL HLDGS LTD	-	1,441,000	(1,441,000)	-
GRAND PHARMACEUTICAL GROUP LTD	-	638,500	(638,500)	-
GREAT WALL MOTOR CO LTD-H	-	147,500	(147,500)	-
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	-	716,000	(716,000)	-
HAIDILAO INTL HLDG LTD	45,000	159,000	(204,000)	-

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	At 31 December 2020	Movement in holdings		At 31 December 2021
		Additions	Disposals	
Listed equity securities - Hong Kong – (continued)				
HAIER SMART HOME CO LTD -H	-	85,400	(85,400)	-
HANG SENG CHINA ENTERPRISES INDEX ETF	-	1,319,800	(911,400)	408,400
HONG KONG EXCHANGES & CLEARING LTD	-	59,700	(59,700)	-
HSBC HLDGS PLC	455,600	634,000	(370,400)	719,200
HUA HONG SEMICONDUCTOR LTD	-	9,000	(9,000)	-
HYGEIA HEALTHCARE HLDGS CO LTD	-	533,600	(533,600)	-
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	-	1,140,000	(1,140,000)	-
INNOCARE PHARMA LTD	-	632,000	(632,000)	-
INNOVENT BIOLOGICS INC (B)	159,000	361,000	(520,000)	-
JD HEALTH INTL INC	45,300	77,200	(122,500)	-
JD.COM INC	-	120,750	(87,000)	33,750
JIANGXI COPPER CO LTD-H	-	640,000	(640,000)	-
JINXIN FERTILITY GROUP LTD	-	991,000	(991,000)	-
JIUMAOJIU INTL HLDGS LTD	-	739,197	(739,197)	-
JW CAYMAN THERAPEUTICS CO LTD	-	585,000	(585,000)	-
KERRY LOGISTICS NETWORK LTD	-	194,000	(194,000)	-
KINGBOARD HLDGS LTD	-	161,000	(161,000)	-
KINTOR PHARMACEUTICAL LTD	-	54,500	(54,500)	-
KUAISHOU TECHNOLOGY	-	148,000	(148,000)	-
LENOVO GROUP LTD	-	738,000	(738,000)	-
LI NING CO LTD	-	624,500	(305,000)	319,500
LIFETECH SCIENTIFIC CORP	-	390,000	(390,000)	-
LK TECHNOLOGY HLDGS LTD	-	341,250	(341,250)	-
LONGFOR GROUP HLDGS LTD	-	737,500	(395,500)	342,000
LUOYANG GLASS CO LTD-H	-	674,000	(144,000)	530,000
MEDLIVE TECHNOLOGY CO LTD	-	85,000	(85,000)	-
MEITUAN-CLASS B	65,200	109,700	(174,900)	-
MICROPORT CARDIOFLOW MEDTECH CO	-	552,290	(552,290)	-
MICROPORT SCIENTIFIC CORP	161,000	772,505	(933,505)	-
MICROPORT SCIENTIFIC CORP-RTS (EX 15JAN2021)	-	1,290	(1,290)	-
MICROPORT SCIENTIFIC CORP-RTS (EX 29SEP2021)	-	176	(176)	-
MING YUAN CLOUD GROUP HLDGS LTD	127,000	66,000	(193,000)	-
NONGFU SPRING CO LTD-H	161,600	62,600	(224,200)	-
ORIENT OVERSEAS INTL LTD	-	37,000	(37,000)	-
PACIFIC BASIN SHIPPING LTD	-	7,776,000	(7,776,000)	-
PETROCHINA CO LTD-H	-	6,488,000	(6,488,000)	-
PHARMARON BEIJING CO LTD-H	-	92,500	(92,500)	-
PING AN INSURANCE GROUP CO OF CHINA LTD-H	-	553,500	(188,500)	365,000
POP MART INTL GROUP LTD	-	129,000	(129,000)	-
RAZER INC	609,000	6,164,000	(6,773,000)	-
REMEGEN CO LTD-H	-	129,500	(129,500)	-

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Listed equity securities - Hong Kong – (continued)				
SEMICONDUCTOR MANUFACTURING INTL CORP	143,500	1,029,000	(1,172,500)	-
SHANDONG WEIGAO GROUP MEDICAL POLYMER CO LTD-H	-	708,000	(708,000)	-
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD-H	-	353,000	(353,000)	-
SHANGHAI MICROPORT MEDBOT (GROUP) CO LTD	-	176	(176)	-
SIHUAN PHARMACEUTICAL HLDGS GROUP LTD	-	5,617,000	(5,617,000)	-
SINO BIOPHARMACEUTICAL LTD	-	919,000	(919,000)	-
SINOFERT HLDGS LTD	-	3,948,000	(3,948,000)	-
SKYWORTH GROUP LTD	-	2,110,000	(1,308,000)	802,000
SMOORE INTL HLDGS LTD	-	295,000	(295,000)	-
SUN HUNG KAI PROPERTIES LTD	-	147,000	(147,000)	-
SUNAC CHINA HLDGS LTD	-	774,000	(774,000)	-
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	-	12,500	(12,500)	-
TECHTRONIC INDUSTRIES CO LTD	-	63,500	(63,500)	-
TENCENT HLDGS LTD	32,600	97,400	(53,700)	76,300
TONGCHENG TRAVEL HLDGS LTD	-	552,400	(552,400)	-
TRACKER FUND OF HONG KONG	-	12,190,000	(9,432,000)	2,758,000
VALUE PARTNERS GROUP LTD	-	1,248,000	(1,248,000)	-
VENUS MEDTECH HANGZHOU INC-H	-	42,000	(42,000)	-
VOBILE GROUP LTD	-	73,000	(73,000)	-
WANT WANT CHINA HLDGS LTD	-	616,000	-	616,000
WEICHAJ POWER CO LTD-H	-	734,000	(448,000)	286,000
WEIMOB INC	103,000	856,000	(959,000)	-
WUXI APPTTEC CO LTD-H	-	24,700	(24,700)	-
WUXI BIOLOGICS CAYMAN INC	225,500	288,500	(373,500)	140,500
XD INC	-	126,400	(126,400)	-
XIAOMI CORP-CLASS B SHARE	629,200	923,200	(1,552,400)	-
XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO LTD-H	-	258,000	(258,000)	-
XINTE ENERGY CO LTD-H	-	404,800	(404,800)	-
XINYI ENERGY HLDGS LTD	-	840,000	(840,000)	-
XINYI GLASS HLDG CO LTD	-	312,000	(312,000)	-
XINYI SOLAR HLDGS LTD	796,000	558,000	(1,354,000)	-
YANKUANG ENERGY GROUP CO LTD-H	-	778,000	(778,000)	-
YEAHKA LTD	-	76,400	(76,400)	-
YIDU TECH INC	-	31,200	(31,200)	-
YONGHE MEDICAL GROUP CO LTD-H	-	245,500	(245,500)	-
ZHONGAN ONLINE P & C INSURANCE CO LTD-H	-	360,800	(360,800)	-
ZHONGSHENG GROUP HLDGS LTD	123,000	520,000	(643,000)	-
ZHUZHOU CRRC TIMES ELECTRIC CO LTD-H	-	637,900	(637,900)	-
ZIJIN MINING GROUP CO LTD-H	-	1,928,400	(1,928,400)	-
ZTO EXPRESS CAYMAN INC	-	25,150	(25,150)	-

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Listed equity securities - United States				
ADVANCED MICRO DEVICES INC	5,100	41,975	(32,507)	14,568
ADVISORSHARES PURE CANNABIS ETF	-	48,082	(48,082)	-
AFFIRM HLDGS INC	-	7,200	(7,200)	-
ALIBABA GROUP HLDG LTD-SPONSORED ADR	9,030	2,100	(11,130)	-
ALPHABET INC-CL A	-	200	(200)	-
ALPHABET INC-CL C	-	200	(200)	-
APPLE INC	-	22,843	(12,900)	9,943
ARK INNOVATION ETF	-	17,800	(17,800)	-
ASML HLDG NV-NY REG	-	1,900	(1,900)	-
BAIDU INC-ADR	1,800	14,307	(16,107)	-
BEIGENE LTD-ADR	-	900	(900)	-
BERKSHIRE HATHAWAY INC-CL B	-	10,295	(10,295)	-
BILIBILI INC-ADR	19,827	32,884	(52,711)	-
BOEING CO	6,650	13,177	(19,827)	-
BOOKING HLDGS INC	-	100	(100)	-
BROADCOM INC	-	1,600	-	1,600
CANADA GOOSE HLDGS INC	-	7,000	(7,000)	-
CARNIVAL CORP	-	23,800	(23,800)	-
CHEWY INC-CL A	-	17,300	(17,300)	-
CLOUDFLARE INC-CL A	-	23,800	(23,800)	-
CME GROUP INC-CL A	-	4,600	(4,600)	-
COINBASE GLOBAL INC-CL A	-	3,700	(3,700)	-
COUPANG INC	-	7,500	(7,500)	-
CVS HEALTH CORP	-	5,300	-	5,300
DADA NEXUS LTD-SPONSORED ADR	-	20,436	(20,436)	-
DAQO NEW ENERGY CORP-ADR	-	29,889	(29,889)	-
DESKTOP METAL INC-CL A	-	12,700	(12,700)	-
DIREXION DAILY SEMICONDUCTORS BULL 3X SHARES	-	100	(100)	-
EHANG HLDGS LTD-SPONSORED ADR	-	3,400	(3,400)	-
ENERGY SELECT SECTOR SPDR FUND	-	92,108	(82,508)	9,600
ETFMG PRIME MOBILE PAYMENTS ETF	-	9,600	(9,600)	-
FUTU HLDGS LTD-SPONSORED ADR	10,680	36,136	(46,816)	-
GDS HLDGS LTD-SPONSORED ADR	-	2,800	(2,800)	-
HEALTH CARE SELECT SECTOR SPDR FUND	-	8,600	(4,600)	4,000
HP INC	-	30,600	-	30,600
II-VI INC	2,400	20,919	(15,419)	7,900
INTERACTIVE BROKERS GROUP INC-CL A	-	7,000	-	7,000
INTUITIVE SURGICAL INC	-	1,800	(1,800)	-
INVESCO SOLAR ETF	7,300	5,400	(12,700)	-
ISHARES MSCI CHINA ETF	-	140,500	(107,100)	33,400

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Listed equity securities - United States				
ISHARES MSCI GLOBAL SELECT METALS & MINING PRODUCERS ETF	-	16,500	(16,500)	-
ISHARES NASDAQ BIOTECHNOLOGY ETF	-	1,900	(1,900)	-
ISHARES NORTH AMERICAN TECH-SOFTWARE ETF	-	3,736	(3,736)	-
JD.COM INC-ADR	29,259	3,400	(32,659)	-
KE HLDGS INC-SPONSORED ADR	28,299	50,826	(79,125)	-
KRANESHARES CSI CHINA INTERNET FUND	-	143,400	(143,400)	-
KRANESHARES GLOBAL CARBON ETF	-	34,200	(13,200)	21,000
LAM RESEARCH CORP	-	700	-	700
LI AUTO INC-SPONSORED ADR	-	95,266	(95,266)	-
LUCID GROUP INC	-	10,700	(10,700)	-
LULULEMON ATHLETICA INC	-	3,416	(3,416)	-
MARRIOTT INTL INC-CL A	-	2,100	(2,100)	-
MARVELL TECHNOLOGY INC	-	1,875	(1,875)	-
MATTERPORT INC	-	49,461	(49,461)	-
META PLATFORMS INC-CL A	-	10,331	(7,131)	3,200
MICRON TECHNOLOGY INC	16,700	47,392	(39,021)	25,071
MICROSOFT CORP	-	6,100	(6,100)	-
MODERNA INC	-	2,100	(2,100)	-
NETFLIX INC	-	2,921	(2,921)	-
NIO INC-SPONSORED ADR	45,878	28,703	(74,581)	-
NOVAVAX INC	-	1,400	(1,400)	-
NVIDIA CORP	-	14,020	(7,945)	6,075
ON HLDG AG-CL A	-	12,900	(12,900)	-
PFIZER INC	-	37,250	-	37,250
PINDUODUO INC-SPONSORED ADR	17,820	21,100	(38,920)	-
PLUG POWER INC	32,400	5,500	(37,900)	-
PROSHARES PET CARE ETF	-	4,300	(4,300)	-
PROSHARES SHORT 20+ YEAR TREASURY	-	218,800	(218,800)	-
QUANTUMSCAPE CORP-CL A	-	5,700	(5,700)	-
REGENERON PHARMACEUTICALS INC	-	400	(400)	-
RLX TECHNOLOGY INC-SPONSORED ADR	-	26,060	(26,060)	-
ROBLOX CORP-CL A	-	5,900	(5,900)	-
ROKU INC	-	700	(700)	-
ROUNDHILL BALL METAVERSE ETF	-	47,201	(11,701)	35,500
ROUNDHILL SPORTS BETTING & IGAMING ETF	-	52,800	(52,800)	-
SEA LTD-ADR	-	10,900	(10,900)	-
SHOPIFY INC-CL A	-	575	(575)	-
SILVERGATE CAPITAL CORP-CL A	-	3,407	(3,407)	-
SNAP INC-CL A	-	23,300	(23,300)	-
SNOWFLAKE INC-CL A	1,525	7,975	(9,500)	-

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Listed equity securities - United States - (continued)				
SPDR S&P BANK ETF	-	80,300	(80,300)	-
SPIRIT AEROSYSTEMS HLDGS INC-CL A	-	10,722	(10,722)	-
SQUARE INC-A	-	1,000	(1,000)	-
TAIWAN SEMICONDUCTOR MANUFACTURING CO-ADR	-	16,200	(16,200)	-
TAL EDUCATION GROUP-ADR	-	8,300	(8,300)	-
TELADOC HEALTH INC	-	1,100	(1,100)	-
TENCENT MUSIC ENTERTAINMENT GROUP-ADR	-	151,683	(151,683)	-
TESLA INC	4,855	4,800	(4,322)	5,333
THE 3D PRINTING ETF	-	21,400	(21,400)	-
TRADE DESK INC-CL A	-	7,100	(7,100)	-
TRIP.COM GROUP LTD-ADR	-	37,258	(37,258)	-
TRIPADVISOR INC	-	39,960	(39,960)	-
UNITY SOFTWARE INC	-	14,600	(14,600)	-
US GLOBAL JETS ETF	-	63,300	(63,300)	-
VANGUARD VALUE ETF	-	3,800	-	3,800
VIPSHOP HLDGS LTD-ADR	-	100,127	(100,127)	-
VISA INC - A	-	13,200	(13,200)	-
WALT DISNEY CO	2,000	8,300	(10,300)	-
XILINX INC	-	2,500	(2,500)	-
XPENG INC-SPONSORED ADR	-	35,000	(35,000)	-
YATSEN HLDG LTD-SPONSORED ADR	9,400	66,178	(75,578)	-
ZAI LAB LTD-ADR	4,100	10,911	(15,011)	-
ZILLOW GROUP INC-CL C	-	3,600	(3,600)	-
ZOOM VIDEO COMMUNICATIONS INC-CL A	2,190	-	(2,190)	-
Quoted warrant - Hong Kong				
CS-KUAISHOU TECHNOLOGY CALL WTS 02AUG2021	-	4,700,000	(4,700,000)	-
GS-LENOVO GROUP LTD CALL WTS 16AUG2021	-	3,550,000	(3,550,000)	-
JP-INNOVENT BIOLOGICS INC (B) CALL WTS 30APR2021	5,000,000	-	(5,000,000)	-
SG-BYD CO LTD-H CALL WTS 22MAR2021	500,000	-	(500,000)	-
SG-SUN HUNG KAI PROPERTIES LTD CALL WTS 15APR2021	500,000	300,000	(800,000)	-
Listed option - Hong Kong				
CHINA LIFE INSURANCE CO LTD-H FEB2021 CALL OPTION 19.5	-	150	(150)	-
CHINA LIFE INSURANCE CO LTD-H JAN2021 CALL OPTION 18	550	700	(1,250)	-
CITIC SECURITIES CO LTD JAN2021 CALL OPTION 18	339	100	(439)	-
CNOOC LTD FEB2021 CALL OPTION 8.75	-	100	(100)	-

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CNOOC LTD FEB2021 CALL OPTION 9.75	-	(100)	100	-
CNOOC LTD MAR2021 CALL OPTION 7.5	200	100	(300)	-
CNOOC LTD MAR2021 CALL OPTION 9.25	-	(300)	300	-
HANG SENG CHINA ENTERPRISES INDEX JAN2021 CALL OPTION 11400	-	40	(40)	-
HANG SENG INDEX 30MAR2021 CALL OPTION 30600	-	8	(8)	-
HANG SENG INDEX 30MAR2021 CALL OPTION 31200	-	2	(2)	-
HANG SENG INDEX 29JUN2021 CALL OPTION 29800	-	5	(5)	-
HANG SENG INDEX 29JUN2021 PUT OPTION 27800	-	5	(5)	-
XIAOMI CORP-CLASS B SHARE MAR2021 CALL OPTION 25	-	440	(440)	-
Listed option – United States				
ARK INNOVATION ETF 16APR2021 CALL OPTION 120	-	210	(210)	-
TESLA INC 16APR2021 CALL OPTION 600	-	60	(60)	-
Listed currency futures - China				
USD/CNH FUTURE MAR2021	45	-	(45)	-
Listed index futures - Hong Kong				
HANG SENG CHINA ENTERPRISES INDEX FUTURE FEB2021	-	38	(38)	-
HANG SENG CHINA ENTERPRISES INDEX FUTURE OCT2021	-	(122)	122	-
HANG SENG CHINA ENTERPRISES INDEX FUTURE NOV2021	-	(122)	122	-
HANG SENG CHINA ENTERPRISES INDEX FUTURE DEC2021	-	(113)	113	-
HANG SENG CHINA ENTERPRISES INDEX FUTURE JAN2022	-	(71)	-	(71)
HANG SENG INDEX FUTURE JAN2021	(15)	-	15	-
HANG SENG INDEX FUTURE FEB2021	-	41	(41)	-
HANG SENG INDEX FUTURE MAR2021	-	(26)	26	-
HANG SENG INDEX FUTURE MAY2021	-	(106)	106	-
HANG SENG INDEX FUTURE JUN2021	-	(106)	106	-
HANG SENG INDEX FUTURE JUL2021	-	(97)	97	-
HANG SENG INDEX FUTURE AUG2021	-	(126)	126	-
HANG SENG INDEX FUTURE SEP2021	-	(126)	126	-
HANG SENG INDEX FUTURE OCT2021	-	(124)	124	-
HANG SENG INDEX FUTURE NOV2021	-	(97)	97	-
HANG SENG INDEX FUTURE DEC2021	-	(113)	113	-
HANG SENG INDEX FUTURE JAN2022	-	(80)	-	(80)
HANG SENG TECH INDEX FUTURE FEB2021	-	(126)	126	-
HANG SENG TECH INDEX FUTURE MAR2021	-	(121)	121	-
HANG SENG TECH INDEX FUTURE MAY2021	-	(136)	136	-
HANG SENG TECH INDEX FUTURE JUN2021	-	(136)	136	-
HANG SENG TECH INDEX FUTURE JUL2021	-	137	(137)	-
HANG SENG TECH INDEX FUTURE AUG2021	-	57	(57)	-

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Listed futures – Singapore				
SGX FTSE CHINA A50 INDEX FUTURE APR2021	-	260	(260)	-
SGX FTSE CHINA A50 INDEX FUTURE FEB2021	-	40	(40)	-
SGX FTSE CHINA A50 INDEX FUTURE JUN2021	-	(85)	85	-
SGX FTSE CHINA A50 INDEX FUTURE MAR2021	-	(130)	130	-
SGX FTSE CHINA A50 INDEX FUTURE MAY2021	-	375	(375)	-
Listed futures - United States				
CBOE VOLATILITY INDEX FUTURE APR2021	(116)	288	(172)	-
CBOE VOLATILITY INDEX FUTURE FEB2021	-	203	(203)	-
CBOE VOLATILITY INDEX FUTURE JAN2021	126	-	(126)	-
CBOE VOLATILITY INDEX FUTURE JUL2021	-	(466)	466	-
CBOE VOLATILITY INDEX FUTURE JUN2021	-	287	(287)	-
CBOE VOLATILITY INDEX FUTURE MAR2021	-	463	(463)	-
CBOE VOLATILITY INDEX FUTURE MAY2021	(10)	-	10	-
CME ULTRA LONG-TERM US TREASURY BOND FUTURE (CBT) DEC2021	-	(6)	6	-
E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE JUN2021	-	10	(10)	-
E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE MAR2021	10	10	(20)	-
E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE SEP2021	-	10	(10)	-
EMINI RUSSELL 2000 INDEX FUTURE MAR2021	22	29	(51)	-
GOLD 100 OZ FUTURE APR2021	-	60	(60)	-
GOLD 100 OZ FUTURE AUG2021	-	24	(24)	-
GOLD 100 OZ FUTURE DEC2021	-	24	(24)	-
GOLD 100 OZ FUTURE FEB2021	56	-	(56)	-
GOLD 100 OZ FUTURE JUL2021	-	24	(24)	-
GOLD 100 OZ FUTURE JUN2021	-	24	(24)	-
GOLD 100 OZ FUTURE OCT2021	-	24	(24)	-
NASDAQ 100 E-MINI FUTURE DEC2021	-	(18)	18	-
NASDAQ 100 E-MINI FUTURE JUN2021	-	(67)	67	-
NASDAQ 100 E-MINI FUTURE MAR2021	(14)	(63)	77	-
NASDAQ 100 E-MINI FUTURE MAR2022	-	6	(4)	2
NASDAQ 100 E-MINI FUTURE SEP2021	-	(29)	29	-
Listed debt securities - China				
SUNAC CHINA HLDGS LTD 7.875% S/A 15FEB2022(CALLED)	400,000	-	(400,000)	-
XIAOMI BEST TIME INTL LTD 3.375% S/A 29APR2030 REGS	400,000	-	-	400,000

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	At 31 December 2020	<u>Movement in holdings</u> Additions	Disposals	At 31 December 2021
Quoted Equity Swap - China				
SHENZHEN MINDRAY BIO-MEDICAL ELECTRONICS CO LTD-A (CH.300760) 02NOV2022	-	9,434	(9,434)	-
SWAP BEIJING SINOHYTEC CO LTD-A (CH.688339) 02NOV2022	-	42,926	(42,926)	-
SWAP CHINA RESOURCES MICROELECTRONICS LTD-A (CH.688396) 02NOV2022	-	56,041	(56,041)	-
SWAP CHINA TOURISM GROUP DUTY FREE CORP LTD-A (CH.601888) 02NOV2022	-	13,100	(13,100)	-
SWAP IMEIK TECHNOLOGY DEVELOPMENT CO LTD-A (CH.300896) 02NOV2022	-	28,582	(28,582)	-
SWAP KWEICHOW MOUTAI CO LTD-A (CH.600519) 02NOV2022	-	1,800	-	1,800
SWAP LUXSHARE PRECISION INDUSTRY CO LTD- A (CH.002475) 02NOV2022	-	72,100	-	72,100
SWAP QINGHAI SALT LAKE INDUSTRY CO LTD-A (CH.000792) 02NOV2022	-	49,602	(49,602)	-
SWAP TRINA SOLAR CO LTD-A (CH.688599) 02NOV2022	-	145,803	(27,921)	117,882
SWAP XIANGYU MEDICAL CO LTD-A (CH.688626) 02NOV2022	-	18,360	(18,360)	-
SWAP YIHAI KERRY ARAWANA HOLDINGS CO LTD-A (CH.300999) 02NOV2022	101,600	-	(101,600)	-
SWAP YUNNAN BOTANEE BIO-TECHNOLOGY GROUP CO LTD-A (CH.300957) 02NOV2022	-	9,200	(9,200)	-
ZHANGZHOU PIENZEHUANG PHARMACEUTICAL CO LTD-A (CH.600436) 02NOV2022	-	12,000	-	12,000
Quoted Equity Swap - Taiwan				
SWAP ADVANCED WIRELESS SEMICONDUCTOR CO (TT.8086) 20220520	-	97,151	(97,151)	-
SWAP AIRTAC INTL GROUP (TT.1590) 20220520	-	8,125	(8,125)	-
SWAP GENIUS ELECTRONIC OPTICAL CO LTD (TT.3406) 20220520	-	31,000	(31,000)	-
SWAP HON HAI PRECISION INDUSTRY CO LTD (TT.2317) 20220520	-	122,000	(122,000)	-
SWAP MEDIATEK INC (TT.2454) 20220520	-	16,000	(16,000)	-
SWAP TAIWAN GLASS INDUSTRY CORP (TT.1802) 20220520	-	917,711	(917,711)	-
SWAP UNIMICRON TECHNOLOGY CORP (TT.3037) 20200731	175,000	175,000	(350,000)	-

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 2021

The Sub-Fund held the following derivative instruments with the counterparty as Morgan Stanley & Co. International plc. as at 31 December 2021

Underlying assets

Listed index futures - Hong Kong

HANG SENG CHINA ENTERPRISES INDEX FUTURE JAN2022	HONG KONG FUTURES EXCHANGE LTD
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HANG SENG INDEX FUTURE JAN2022	HANG SENG INDEX
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Listed index futures - United States

NASDAQ 100 E-MINI FUTURE MAR2022	NASDAQ 100 INDEX
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Quoted Equity swap - China

SWAP KWEICHOW MOUTAI CO LTD-A (CH.600519) 02NOV2022	KWEICHOW MOUTAI CO LTD-A (CH.600519)
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SWAP LUXSHARE PRECISION INDUSTRY CO LTD-A (CH.002475) 02NOV2022	LUXSHARE PRECISION INDUSTRY CO LTD-A (CH.002475)
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SWAP TRINA SOLAR CO LTD-A (CH.688599) 02NOV2022	TRINA SOLAR CO LTD-A (CH.688599)
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SWAP ZHANGZHOU PIENTZEHUANG PHARMACEUTICAL CO LTD-A (CH.600436)	ZHANGZHOU PIENTZEHUANG PHARMACEUTICAL CO LTD-A (CH.600436)
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Annual Report and Financial Statements

Information on exposure arising from financial derivative instruments (Unaudited)

As at 31 December 2021

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 2021.

	2021 % of NAV
Lowest gross exposure	3.61%
Highest gross exposure	48.20%
Average gross exposure	22.36%

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 2021.

	2021 % of NAV
Lowest net exposure	0.00%
Highest net exposure	18.10%
Average net exposure	2.74%

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 % 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 % of NAV
Lowest net exposure	0.96%
Highest net exposure	36.99%
Average net exposure	15.70%

CFund - China Equity
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Performance Table (Unaudited)
As at 31 December 2021

Net Asset Value

	Dealing net asset value	Dealing net asset value per Units
At 31 December 2021		
Class A HKD (Accumulation) Units	HKD776,464,936	HKD131.7297
Class A HKD (Distribution) Units	HKD63,836,735	HKD100.1600
Class A RMB (Accumulation) Unit	RMB15,892,688	RMB87.4872
At 31 December 2020		
Class A HKD (Accumulation) Units	HKD567,007,527	HKD166.1071
Class A HKD (Distribution) Units	HKD8,690,922	HKD132.7997
Class A RMB (Accumulation) Unit	RMB3,511,386	RMB114.3710
At 31 December 2019		
Class A HKD (Accumulation) Units	HKD342,360,713	HKD109.4271

Highest and lowest net asset value per unit

	Highest net asset value per unit	Lowest net asset value per unit
For the year ended 31 December 2021		
Class A HKD (Accumulation) Units	HKD194.4678	HKD128.6857
Class A HKD (Distribution) Units	HKD153.6969	HKD97.8458
Class A RMB (Accumulation) Unit	RMB132.2743	RMB85.6686
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
For the period from 2 January 2019 (date of commencement of operations) to 31 December 2019		
Class A HKD (Accumulation) Units	HKD116.9666	HKD99.7196