



CFund-China Equity

(a Sub-Fund of CFund)

Annual Report and Financial Statements

For the year ended 31 December 2022

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

<u>Contents</u>	<u>Page</u>
Management and Administration	1
Report of the Manager to the unitholders	2
Report of the Trustee to the unitholders	3
Statement of responsibilities of the Manager and the Trustee	4
Independent Auditor's Report	5 - 7
Statement of financial position	8
Statement of comprehensive income	9
Statement of changes in net assets attributable to unitholders	10
Statement of cash flows	11
Notes to the financial statements	12 – 44
Investment Portfolio (Unaudited)	45 – 47
Statement of Movements in Investment (Unaudited)	48 – 56
Details in respect of financial derivative instruments (Unaudited)	57
Information on exposure arising from financial derivative instruments (Unaudited)	58
Performance Table (Unaudited)	59 – 60

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

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

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

Annual Report and Financial Statements
For the year ended 31 December 2022

Report of the Manager to the unitholders

Looking back at a difficult 2022, it was a year troubled by downward revisions to global economic and corporate earnings growth expectations, coupled with a sharp derating across equity valuations. China, in particular, faced additional pressure from policies perceived to be anti-growth and anti-business. Concerns on both the property sector and Zero-COVID policy hit overall consumption, while a series of regulation shocks eroded business and investor confidence. External factors were no better, with the war in Ukraine disrupting supply chains and commodity prices, and the tech war against China extending beyond advanced lithography equipment.

Fast-forward past the National Party Congress and to the year-end, the Chinese government has pivoted on key policy fronts. The previous piecemeal approach to loosening has given way to a unified message from the top leadership to refocus on growth. Looking ahead, we see sequential improvement in China's economy. We maintain our view of a tough external backdrop, as global economies are impacted by higher interest rates and geopolitical uncertainties linger. However, the recent banking turmoil in the US and EU have bolstered bets that interest rates may be peaking.

We continue to rigorously look for bargains in businesses that we believe are well-run and view this as an ideal environment for active portfolio managers to carefully select individual stocks that can generate long-term value for shareholders.

For and on behalf of



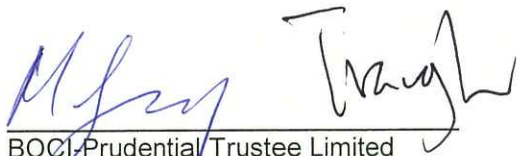
Pickers Capital Management Limited
25 April 2023

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

Annual Report and Financial Statements
For the year ended 31 December 2022

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, the Third Supplemental Deed dated 7 May 2020 and the Fourth Supplemental Deed dated 18 March 2022, for the year ended 31 December 2022.



BOCI-Prudential Trustee Limited
25 April 2023

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Statement of Responsibilities of the Manager and the Trustee

Manager's Responsibilities

The Manager of the Sub-Fund is required by the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code") and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to

- confirm the selection and application of accounting policies as appropriate;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Sub-Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

Trustee's Responsibilities

The Trustee of the Sub-Fund is required by the SFC Code and the Trust Deed to:

- ensure that the Sub-Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing the Sub-Fund in accordance with the Trust Deed.

**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 44, comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year ended 31 December 2022;
- the statement of changes in net assets attributable to unitholders for the year ended 31 December 2022;
- the statement of cash flows for the year ended 31 December 2022; 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 2022, 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)

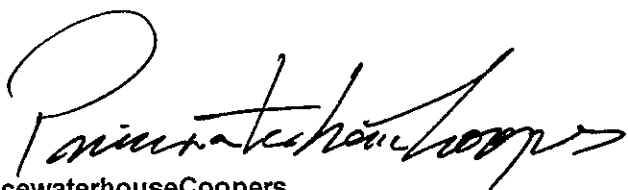
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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, 25 April 2023

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

Statement of Financial Position
As at 31 December 2022

	Notes	As at 31 December 2022 HKD	As at 31 December 2021 HKD
ASSETS			
CURRENT ASSETS			
Financial assets at fair value through profit or loss	3.1	344,774,011	789,285,441
Derivatives	3.1 and 6	1,481,056	640,044
Dividends receivable		-	271,280
Receivables on subscriptions		97	30,625
Prepayments		13,547	14,792
Amount due from brokers		16,968,903	-
Other receivables		39	-
Margin deposits	8(a)	33,201,343	24,256,612
Cash collateral	8(b)	203,187	30,005,769
Bank balances	11(a)	74,200,579	23,751,603
TOTAL ASSETS		470,842,762	868,256,166
LIABILITIES			
CURRENT LIABILITIES			
Derivatives	3.1 and 6	285,250	1,105,450
Management fee payable	11(c)	602,004	1,102,833
Trustee fee payable	11(b)	60,200	104,297
Amounts due to brokers		19,055,979	6,241,892
Amounts payable on redemption of units		19,799,579	196,040
Distributions payable to unitholders	12	294,624	638,367
Other payables and accruals		267,298	264,356
LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		40,364,934	9,653,235
NET ASSETS		430,477,828	858,602,931
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	9	430,477,828	858,602,931

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

For and on behalf of
Pickers Capital Management Limited, Manager



Trustee




Director

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

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

Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	For the year ended 31 December 2022 HKD	For the year ended 31 December 2021 HKD
INCOME			
Dividend income		13,612,561	8,725,892
Interest income on bonds		105,664	138,912
Interest income on bank deposits	11(a)	240,391	31,961
Net realised loss on financial assets at fair value through profit or loss		(281,042,651)	(120,550,663)
Net change in unrealised loss on financial assets at fair value through profit or loss		(68,787,330)	(124,898,205)
Net exchange loss		(2,596,150)	(510,980)
Other general income		65	-
TOTAL NET INCOME		(338,467,450)	(237,063,083)
EXPENSES			
Management fee	11(c)	10,384,044	14,366,581
Performance fee	11(d)	-	230,384
Trustee fee	11(b)	1,004,247	1,341,613
Custodian fee	11(f)	170,216	288,878
Auditors' remuneration		198,398	170,680
Transaction costs		5,645,803	5,581,723
Brokers commission expenses	11(g)	3,999,551	4,061,427
Transaction and handling fees	11(e)	864,683	863,233
Other general expenses		126,360	371,811
TOTAL OPERATING EXPENSES		22,393,302	27,276,330
LOSS BEFORE TAX		(360,860,752)	(264,339,413)
Withholding taxes	10	1,179,237	477,844
LOSS AFTER TAX AND BEFORE DISTRIBUTION		(362,039,989)	(264,817,257)
Distributions to unitholders	12	(1,956,153)	(2,487,114)
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		(363,996,142)	(267,304,371)

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

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

Statement of Changes in Net Assets Attributable to Unitholders For the year ended 31 December 2022

	Note	For the year ended 31 December 2022 HKD	For the year ended 31 December 2021 HKD
Net assets attributable to unitholders at the beginning of the year		858,602,931	584,670,315
Subscription of units		153,744,517	641,968,019
Redemption of units		(217,873,478)	(100,731,032)
Net (decrease)/increase from transactions with unitholders		(64,128,961)	541,236,987
Loss after tax and before distribution		(362,039,989)	(264,817,257)
Distribution to unitholders	12	(1,956,153)	(2,487,114)
Net assets attributable to unitholders at the end of the year		430,477,828	858,602,931

	Class A HKD (Accumulation) Units	Class A HKD (Distribution) Units	Class A RMB (Accumulation) Units
2022			
At the beginning of the year	5,892,952.0538	637,347.6964	181,943.1492
Subscriptions during the year	1,124,286.6888	385,058.7666	752.0105
Redemptions during the year	(2,070,518.2758)	(512,588.3694)	(24,946.3804)
At the end of the year	4,946,720.4668	509,818.0936	157,748.7793

	Class A HKD (Accumulation) Units	Class A HKD (Distribution) Units	Class A RMB (Accumulation) Units
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

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

CFund - China Equity

(A Sub-Fund of CFund)

Statement of Cash Flows

For the year ended 31 December 2022

		For the year ended 31 December 2022 HKD	For the year ended 31 December 2021 HKD
	Notes		
Cash flows from operating activities			
Loss before income tax		(360,860,752)	(264,339,413)
Adjustments for:			
Interest income on bank deposits		(240,391)	(31,961)
Interest income on bonds		(105,664)	(138,912)
Dividend income		(13,612,561)	(8,725,892)
Withholding taxes		1,179,237	477,844
Net exchange loss		2,596,150	510,980
Operating loss before working capital changes		(371,043,981)	(272,247,354)
Decrease/(increase) in financial assets at fair value through profit and loss		444,511,430	(264,491,536)
(Increase)/decrease in derivatives		(1,661,212)	11,451,822
Increase in amounts due from brokers		(16,968,903)	-
Decrease in margin deposits – restricted	8(a)	2,386,034	5,785,142
Decrease/(increase) in cash collateral – restricted	8(b)	26,057,968	(15,113,785)
Decrease/(increase) in prepayment		1,206	(3,748)
(Decrease)/increase in management fee payable		(500,829)	417,358
(Decrease)/increase in trustee fee payable		(44,097)	36,422
Increase/(decrease) in amounts due to brokers		12,814,087	(24,294,703)
Decrease in performance fee payable		-	(32,109,916)
Decrease in accounts payable and accruals		(1,158,735)	(1,094,193)
Cash used in operating activities		94,392,968	(591,664,491)
Withholding taxes paid		(1,196,796)	(460,285)
Dividend income received		13,883,841	8,484,006
Interest income received on bank deposits		240,391	31,961
Interest income received on bonds		105,664	138,912
Net cash used in operating activities		107,426,068	(583,469,897)
Cash flows from financing activities			
Proceeds from subscription of units		153,775,043	653,088,474
Payments on redemption of units		(198,269,938)	(100,691,847)
Distributions paid to unitholders		(2,299,896)	(1,935,656)
Net cash generated from financing activities		(46,794,791)	550,460,971
Net increase/(decrease) in cash and cash equivalents		60,631,277	(33,008,926)
Cash and cash equivalents at the beginning of the year		41,452,713	74,972,619
Net exchange loss		(2,596,150)	(510,980)
Cash and cash equivalents at the end of the year		99,487,840	41,452,713
Analysis of Balances of Cash and Cash Equivalents:			
Cash at bank		74,200,579	23,751,603
Margin deposits - unrestricted	8(a)	25,084,074	13,753,309
Cash collateral - unrestricted	8(b)	203,187	3,947,801
		99,487,840	41,452,713

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

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements

For the year ended 31 December 2022

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, the Third Supplemental Deed dated 7 May 2020 and the Fourth Supplemental Deed dated 18 March 2022, made between Pickers Capital Management Limited as Manager (the "Manager") and BOCI-Prudential Trustee Limited as Trustee (the "Trustee"). The Fund currently consists of two sub-funds, CFund – China Equity and CFund – Dynamic Income, of which CFund – China Equity (the "Sub-Fund") commenced its operations on 2 January 2019 and CFund – Dynamic Income commenced its operation on 12 May 2022. 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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

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.

These financial statements are prepared for the Sub-Fund 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 years 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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

Standards and amendments to existing standards effective 1 January 2022

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Sub-Fund.

New standards, amendments and interpretations effective after 1 January 2022 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 2022, 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.

(c) Financial assets at fair value through profit or loss

(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)

Annual Report and Financial Statements

For the year ended 31 December 2022

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

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

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

(e) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

(i) Amounts due from/to brokers

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

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

(j) Offsetting financial instruments

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

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(k) 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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

(m) Investment Income and expenses

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

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

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

(n) Redeemable units

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

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

Otherwise, puttable financial instruments are classified as financial liability.

As at years ended 31 December 2022 and 2021, 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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

3 Financial risk management

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

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

3.1 Market price risk

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

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

The following table discloses the investments of the Sub-Fund by product type as at 31 December 2022 and 2021.

	2022 HKD	2021 HKD
Financial assets at fair value through profit or loss		
Listed investments		
- Equities	260,344,443	627,484,854
- Exchange-traded funds	60,141,940	158,580,116
- Depositary receipts	21,833,779	-
- Debt securities	2,453,849	3,220,471
	<u>344,774,011</u>	<u>789,285,441</u>
- Derivatives		
- Listed futures	1,481,056	12,163
- Quoted equity swaps	-	627,881
	<u>1,481,056</u>	<u>640,044</u>
Financial liabilities at fair value through profit or loss		
- Derivatives		
- Listed futures	(285,250)	(1,105,450)
Financial assets and liabilities at fair value through profit or loss	<u>345,969,817</u>	<u>788,820,035</u>

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

3 Financial risk management (Continued)

3.1 Market price risk (Continued)

The following table discloses the equities, exchange-traded funds and debt securities portfolio investments of the Sub-Fund by geographical sectors as at 31 December 2022 and 2021:

		2022		2021	
	Note	Fair value of investment HKD	% of net asset value	Fair value of investment HKD	% of net asset value
Listed equities and depositary receipts					
Hong Kong		213,530,995	49.60%	342,171,389	39.85%
China		28,878,295	6.71%	119,565,593	13.93%
United States		17,935,153	4.17%	165,747,872	19.30%
United States - ADR		20,787,725	4.83%	-	-
Taiwan - ADR		1,046,054	0.24%	-	-
		<u>282,178,222</u>	<u>65.55%</u>	<u>627,484,854</u>	<u>73.08%</u>
Exchange-traded funds					
Hong Kong		-	-	116,792,788	13.60%
United States		60,141,940	13.97%	41,787,328	4.87%
		<u>60,141,940</u>	<u>13.97%</u>	<u>158,580,116</u>	<u>18.47%</u>
Debt securities					
China		2,453,849	0.57%	3,220,471	0.38%
Sub-total		<u>344,774,011</u>	<u>80.09%</u>	<u>789,285,441</u>	<u>91.93%</u>
Futures					
Hong Kong		(285,250)	(0.07%)	(1,105,450)	(0.13%)
United States		1,481,056	0.35%	12,163	0.00%
	6	<u>1,195,806</u>	<u>0.28%</u>	<u>(1,093,287)</u>	<u>(0.13%)</u>
Equity swaps					
China	6	-	-	627,881	0.07%
Total		<u>345,969,817</u>	<u>80.37%</u>	<u>788,820,035</u>	<u>91.87%</u>

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

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

3 Financial risk management (Continued)

3.1 Market price risk (Continued)

The following table discloses the equities portfolio investments of the Sub-Fund by industrial sectors as at 31 December 2022 and 2021:

	2022		2021	
	Fair value of investment HKD	% of net asset value	Fair value of investment HKD	% of net asset value
Listed equities				
Consumer discretionary	92,143,137	21.40%	98,699,084	11.50%
Consumer staples	23,228,782	5.40%	25,855,851	3.01%
Energy	19,331,260	4.49%	-	0.00%
Financials	18,856,940	4.38%	65,386,356	7.61%
Health care	23,151,510	5.38%	48,831,981	5.69%
Industrials	13,024,334	3.03%	110,966,176	12.92%
Information technology	6,114,364	1.42%	133,793,205	15.58%
Materials	1,145,760	0.27%	3,916,129	0.46%
Real estate	26,883,410	6.24%	37,138,595	4.32%
Telecommunication services	51,452,565	11.95%	43,245,477	5.04%
Utilities	6,846,160	1.59%	59,652,000	6.95%
	<u>282,178,222</u>	<u>65.55%</u>	<u>627,484,854</u>	<u>73.08%</u>

As at 31 December 2022 and 2021, 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 2022		
Hang Seng Index	32.70	46,958,318
As at 31 December 2021		
Hang Seng Index	20.00	116,434,947

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

3 Financial risk management (Continued)

3.1 Market price risk (Continued)

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

3.2 Interest rate risk

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

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

As at 31 December 2022 and 2021, the Sub-Fund had cash and cash equivalents of HK\$74,200,579 (2021: HK\$23,751,603), margin deposits of HK\$33,201,343 (2021: HK\$24,256,612) and cash collateral HK\$203,187 (2021: HK\$30,005,769). If interest rates had been 80 basis points (2021: 10 basis points) higher or lower with all other variables held constant, total comprehensive income would have been HK\$860,841 (2021: HK\$78,014) higher or lower as at 31 December 2022 and 2021.

As at 31 December 2022 and 2021, the Sub-Fund had debt securities of HK\$2,453,849 (2021: HK\$3,220,471). If interest rates had been 80 basis points (2021: 10 basis points) higher or lower with all other variables held constant, total comprehensive income would have been HK\$120,965 (2021: HK\$22,530) higher or lower as at 31 December 2022 and 2021.

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\$103,845,776 (2021: HK\$242,627,047) 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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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>2022</u>		<u>2021</u>	
	Monetary HKD equivalents +/-	Non-Monetary HKD equivalents +/-	Monetary HKD equivalents +/-	Non-Monetary HKD Equivalents +/-
CNY	<u>11,671,454</u>	<u>28,878,295</u>	<u>136,085</u>	<u>119,565,593</u>

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.

	Change +/-	<u>2022</u>		Change +/-	<u>2021</u>	
		Monetary HKD equivalents +/-	Non-Monetary HKD equivalents +/-		Monetary HKD equivalents +/-	Non-Monetary HKD Equivalents +/-
CNY	5%	<u>583,573</u>	<u>1,443,915</u>	5%	<u>6,804</u>	<u>5,978,280</u>

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 2022 and 2021, all dividend receivables, amount due from brokers, receivables on subscriptions, margin deposits, cash collateral and bank balances are held with counterparties with a credit rating of A- (2021: 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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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 2022 and 2021 together with its credit rating:

At 31 December 2022	HKD	Credit rating	Source of credit rating
Financial assets at fair value through profit or loss and derivatives			
Bank of China (Hong Kong) Limited	344,774,011	A+	Standard & Poor's
Morgan Stanley & Co. International PLC	1,481,056	A+	Standard & Poor's
Margin deposits and cash collateral			
Morgan Stanley & Co. International PLC	33,404,530	A+	Standard & Poor's
Cash and cash equivalents			
Bank of China (Hong Kong) Limited	74,200,579	A+	Standard & Poor's
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

The maximum exposure to credit risk as at 31 December 2022 and 2021 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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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.

	2022 Less than 3 months HKD	2021 Less than 3 months HKD
Management fee payable	602,004	1,102,833
Performance fee payable	-	-
Trustee fee payable	60,200	104,297
Amounts due to brokers	19,055,979	6,241,892
Amounts payable on redemption of units	19,799,579	196,040
Other payables and accruals	267,298	264,356
Distributions payable to unitholders	294,624	638,367
Net asset attributable to unitholders	430,477,828	858,602,931
	<u>470,557,512</u>	<u>867,150,716</u>

As at 31 December 2022, the total assets of the Sub-Fund amounted to HK\$470,842,762 (2021: HK\$868,256,166). 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 2022, 2 unitholders held 62% and 22% (2021: 61% and 37%) of the Sub-Fund's units on nominee basis respectively.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

3 Financial risk management (Continued)

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

As at 31 December 2022 and 2021, 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 Related amounts not set-off in the statement of financial position		E=C-D Net amount
		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	D(i) Financial instruments	D(ii) Cash collateral	
	Gross amounts of recognised financial assets HKD	HKD	HKD	HKD	HKD	HKD
As at 31 December 2022						
Derivatives	1,481,056	-	1,481,056	285,250	-	1,195,806
Margin deposits	33,201,343	-	33,201,343	-	-	33,201,343
Cash collateral	203,187	-	203,187	-	-	203,187
	<u>34,885,586</u>	<u>-</u>	<u>34,885,586</u>	<u>285,250</u>	<u>-</u>	<u>34,600,336</u>
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>

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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 2022						
Derivatives	285,250	-	285,250	285,250	-	-
	<u>285,250</u>	<u>-</u>	<u>285,250</u>	<u>285,250</u>	<u>-</u>	<u>-</u>
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>

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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

3 Financial risk management (Continued)

3.7 Fair value estimation

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the 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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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 2022 and 2021:

As at 31 December 2022	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
Assets				
Financial assets at fair value through profit or loss				
Listed equities	260,344,443	-	-	260,344,443
Listed equities – ADR	21,833,779	-	-	21,833,779
Exchange-traded funds	60,141,940	-	-	60,141,940
Listed debt securities	2,453,849	-	-	2,453,849
	<u>344,774,011</u>	<u>-</u>	<u>-</u>	<u>344,774,011</u>
Derivatives				
- Listed futures	1,481,056	-	-	1,481,056
	<u>1,481,056</u>	<u>-</u>	<u>-</u>	<u>1,481,056</u>
Total	<u>346,255,067</u>	<u>-</u>	<u>-</u>	<u>346,255,067</u>
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives				
- Listed futures	(285,250)	-	-	(285,250)
Total	<u>(285,250)</u>	<u>-</u>	<u>-</u>	<u>(285,250)</u>

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

3 Financial risk management (Continued)

3.7 Fair value estimation (Continued)

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>

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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. The swaps have been fair valued based on the difference between quoted market prices of the securities underlying and contract price. The Sub-Fund did not invest in any level 3 investments during the year ended 31 December 2022 and 2021.

There were no transfers between levels during the year ended 31 December 2022 and 2021.

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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements

For the year ended 31 December 2022

Notes to the Financial Statements

4 Significant accounting judgements and estimates (Continued)

Fair value of unlisted investments

As at 31 December 2022 and 2021, 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 2022 and 2021.

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.

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, other receivables 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".

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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 2022, 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 MAR2023	(20)	(34,396,474)	Short	762,138
S&P 500 EMINI FUTURE MAR2023	(24)	(36,146,373)	Short	718,918
				<u>1,481,056</u>
Financial liabilities				
HANG SENG INDEX FUTURE JAN2023	(31)	(30,868,250)	Short	(285,250)

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>

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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 2022, there was no equity swaps.

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

<u>Equity Swaps</u>	<u>Holdings</u>	<u>Notional value HKD</u>	<u>Position</u>	<u>Fair value HKD</u>
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
				627,881

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

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

7. Unconsolidated structured entities

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

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

The table below summaries the Sub-Fund's holdings in Investee Funds as at 31 December 2022 and 2021:

Investee Funds	Fund Manager	Place of incorporation	Dealing frequency	% of net asset value of the Investee Funds as at 31 December 2022	% of net asset value of the Investee Funds as at 31 December 2021
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%
AXS SHORT INNOVATION DAILY	AXS Investments LLC	USA	Daily	0.339%	-
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 CHINA LARGE-CAP ETF	BlackRock Fund Advisors	USA	Daily	0.026%	-

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

7. Unconsolidated structured entities (Continued)

The table below summaries the Sub-Fund's holdings in Investee Funds as at 31 December 2022 and 2021:

Investee Funds	Fund Manager	Place of incorporation	Dealing frequency	% of net asset value of the Investee Funds as at 31 December 2022	% of net asset value of the Investee Funds as at 31 December 2021
ISHARES MSCI CHINA ETF	BlackRock Fund Advisors	USA	Daily	0.031%	0.036%
KRANESHARES GLOBAL CARBON ETF	Krane Funds Advisors LLC	USA	Daily	0.037%	0.066%
ROUNDHILL BALL METAVERSE ETF	Listed Funds Trust	USA	Daily	-	0.058%
VANGUARD VALUE ETF	The Vanguard Group	USA	Daily	-	0.001%

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.

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

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

7. Unconsolidated structured entities (Continued)

As at 31 December 2022	Fair value HKD	% of net assets
AXS SHORT INNOVATION DAILY	8,802,990	2.04%
ISHARES CHINA LARGE-CAP ETF	11,263,140	2.62%
ISHARES MSCI CHINA ETF	20,195,651	4.69%
KRANESHARES CSI CHINA INTERNET FUND	19,880,159	4.62%
	<u>60,141,940</u>	<u>13.97%</u>
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%
	<u>158,580,116</u>	<u>18.47%</u>

As at 31 December 2022 and 2021 there were no capital commitment obligations and no amounts due to structured entities for unsettled purchases.

During the years ended 31 December 2022 and 2021, total unrealised loss of HK\$1,990,286 (2021: unrealised loss of HK\$4,377,040) and realised loss of HK\$48,052,778 (2021: realised loss of HK\$12,109,826) were incurred on investments in Investee Funds.

8. Margin deposits and Cash collateral

- Margin accounts represent margin deposits held in respect of open exchange-traded derivative contracts. As at 31 December 2022, the Sub-Fund held margin deposits of HK\$33,201,343 (2021: HK\$24,256,612) in Morgan Stanley & Co. International PLC of which HK\$8,117,269 (2021: HK\$10,503,303) is restricted.
- Cash collateral represent collateral held in respect of equity swap derivative contracts. As at 31 December 2022, the Sub-Fund collateral of HK\$203,187 (2021: HK\$30,005,769) in Morgan Stanley & Co. International PLC of which no amount is restricted (2021: HK\$26,057,968).

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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

The Sub-Fund has issued three classes of units. The number of units in issue of the Sub-Fund is classified as financial. All issued redeemable units are fully paid. As at 31 December 2022 and 2021, the Sub-Fund has launched Class A HKD (Distribution), Class A RMB (Accumulation) and Class A RMB (Accumulation) units.

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 2022.

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>
2022			
At the end of the year	4,946,720.4668	509,818.0936	157,748.7793
2021			
At the end of the year	5,892,952.0538	637,347.6964	181,943.1492

Unitholders who wish to subscribe or redeem their units in the Sub-Fund may do on a 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 2022 HKD	As at 31 December 2021 HKD
Net assets attributable to unitholders per unit (per statement of financial position)		
- Class A HKD (Accumulation) Units	79.0815	131.6727
- Class A HKD (Distribution) Units	57.1877	99.1152
	<hr/>	<hr/>
	RMB	RMB
- Class A RMB (Accumulation) Units	57.0704	87.4501
	<hr/>	<hr/>

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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

Establishment costs are expensed as incurred. However, in accordance with the provisions of the Explanatory Memorandum, establishment costs will be amortised over the first five accounting periods. As at 31 December 2022, the unamortised establishment costs of the Sub-Fund was HK\$186,575 (2021: HK\$371,124). 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 2022 HKD	As at 31 December 2021 HKD
Net assets attributable to unitholders as reported in the statement of financial position	430,477,828	858,602,931
Add: Adjustments for unamortised establishment costs	186,575	371,124
Adjustments for other differences (Note a)		
- net (subscription)/redemption	(97)	157,792
- distribution to unitholders	294,624	638,367
- fee accruals for 31 December 2022 (Note b)	20,493	-
Dealing net asset value	<u>430,979,423</u>	<u>859,770,214</u>
Dealing net assets attributable to unitholders per unit		
- Class A HKD (Accumulation) Units	HKD79.1158	HKD131.7297
- Class A HKD (Distribution) Units	HKD57.7906	HKD100.1600
- Class A RMB (Accumulation) Units	<u>RMB57.0951</u>	<u>RMB87.4872</u>

Note a: The adjustments represent the net (subscription)/redemption and distribution to unitholders which were not reflected in the dealing net asset value due to the timing difference as at 31 December 2022 and 31 December 2021.

Note b: According to the Explanatory Memorandum, the last dealing day of the Sub-Fund should be the last business day of the Sub-Fund, which was 30 December 2022 for the year ended 31 December 2022. The adjustments represent certain expenses made on 31 December 2022 which was recognized in the net assets attributable to unitholders (in accordance with IFRS).

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

10. Taxation (Continued)

(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.

(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

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 2022, the Sub-Fund placed bank deposits and investments amounted to HK\$74,200,579 (2021: HK\$23,751,603) and HK\$344,774,011 (2021: HK\$789,285,441) respectively with Bank of China (Hong Kong) Limited, a connected person of the Trustee. For the year ended 31 December 2022, bank interest income amounted to HK\$20,423 (2021: HK\$12,933) 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 2022 and 2021, the trustee rate is up to 0.15% per annum. During the year ended 31 December 2022, trustee fee amounting to HK\$1,004,247 (2021: HK\$1,341,613) was paid to the Trustee of the Sub-Fund. As at 31 December 2022, trustee fee payable amounted to HK\$60,200 (2021: HK\$104,297).
- (c) Management fee is charged by the Manager of the Sub-Fund. Management fee is calculated at 1.5% per annum 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 2022, management fee amounting to HK\$10,384,044 (2021: HK\$14,366,581) was charged by the Manager of the Sub-Fund. As at 31 December 2022, management fee payable amounted to HK\$602,004 (2021: HK\$1,102,833).

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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

- (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 2022, there was no performance fee charged by the Manager of the Sub-Fund (2021: HK\$230,384). As at 31 December 2022, there was no performance fee payable (2021: Nil).

- (e) In addition to the trustee fee disclosed in Note 11(b), the Sub-Fund had following additional transactions with trustee during the year ended 31 December 2022 and 31 December 2021.

	2022 HKD	2021 HKD
Transaction handling fees	356,130	320,340
Foreign Account Tax Compliance Act ("FATCA") service fees	10,000	10,000
Distribution handling fee	350	200

- (f) During the year ended 31 December 2022, custodian fee, bank charges and transaction fees amounted to HK\$170,216 (2021: HK\$288,878), HK\$14,371 (2021: HK\$24,076) and HK\$508,553 (2021: HK\$542,893) 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 %
2022				
Centline Securities Limited	383,732,614	172,680	4.25%	0.045%
2021				
Centline Securities Limited	364,358,501	163,961	5.95%	0.045%

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

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

(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 2022 and 2021, the holdings in the Sub-Fund by the Manager and its connected persons was as follow:

	Number of Class A HKD (Accumulation) 2022 Units	Number of Class A HKD (Accumulation) 2021 Units
Manager		
As at 1 January 2021 and 1 January 2022	1,000.0000	1,000.0000
Units subscribed during the year	-	-
As at 31 December 2021 and 31 December 2022	<u>1,000.0000</u>	<u>1,000.0000</u>
	Number of Class A HKD (Accumulation) 2022 Units	Number of Class A HKD (Accumulation) 2021 Units
Connected persons of the Manager		
As at 1 January 2021 and 1 January 2022	2,503,505.8491	2,500,000.0000
Units subscribed during the year	6,374.4711	3,505.8491
Units redeemed during the year	(1,250,000.0000)	-
As at 31 December 2021 and 31 December 2022	<u>1,259,880.3202</u>	<u>2,503,505.8491</u>

12. Distributions

	For the year ended 31 December 2022 HKD	For the year ended 31 December 2021 HKD
Undistributed income at the beginning for the year	-	-
Loss after tax and before distribution	<u>(362,039,989)</u>	<u>(264,817,257)</u>
Distributions to unitholders	<u>(1,956,153)</u>	<u>(2,487,114)</u>
Undistributed loss/income carried forward at the ending of the year	<u>-</u>	<u>-</u>

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2022

Notes to the Financial Statements

12. Distributions (Continued)

As at 31 December 2022, distributions payable to unitholders amounted to HK\$294,624 (2021: HK\$638,367).

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	2022 HKD per unit	Declaration date	2021 HKD per unit
1 April 2022	0.8612	8 April 2021	1.2487
4 July 2022	0.8355	2 July 2021	1.2543
3 October 2022	0.6394	4 October 2021	1.0571
3 January 2023	0.5779	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 (2021: 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 (2021: Nil).

14. Events after the reporting period

Subsequent to year ended 31 December 2022 to the approval date of the financial statement of the Sub-Fund, the Sub-Fund has net redemption of HK\$230,268,488.

15. Approval of the financial statements

The financial statements were approved and authorised for issue by Trustee and the Manager on 25 April 2023.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
Investment Portfolio (Unaudited)
As at 31 December 2022

	Holdings	Market value HKD	Net asset value %
Listed equity securities - China			
C&S PAPER CO LTD-A	231,700	3,588,825	0.83%
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	29,367	13,024,333	3.03%
KWEICHOW MOUTAI CO LTD-A	6,300	12,265,137	2.85%
		28,878,295	6.71%
	Holdings	Market value HKD	Net asset value %
Listed equity securities - Hong Kong			
ANTA SPORTS PRODUCTS LTD	11,000	1,125,300	0.26%
BEIGENE LTD	36,800	4,938,560	1.15%
BUDWEISER BREWING CO APAC LTD	300,400	7,374,820	1.71%
BYD CO LTD-H	67,300	12,961,980	3.01%
CHINA CONSTRUCTION BANK CORP-H	1,774,000	8,674,860	2.01%
CHINA EDUCATION GROUP HLDGS LTD	219,000	2,211,900	0.51%
CHINA LIFE INSURANCE CO LTD-H	322,000	4,314,800	1.00%
CHINA MOBILE LTD	311,000	16,094,250	3.74%
CHINA OVERSEAS LAND & INVESTMENT LTD	709,000	14,605,400	3.39%
CHINA RESOURCES PHARMACEUTICAL GROUP LTD	770,000	4,866,400	1.13%
CHINA RESOURCES POWER HLDGS CO	282,000	4,500,720	1.04%
CHINA TOURISM GROUP DUTY FREE CORP LTD-H	51,100	11,753,000	2.73%
CHINA UNICOM (HONG KONG) LTD	1,738,000	8,394,540	1.95%
CNOOC LTD	1,937,000	19,331,260	4.49%
COUNTRY GARDEN HLDGS CO LTD	1,718,000	4,587,060	1.07%
ENN ENERGY HLDGS LTD	21,400	2,345,440	0.54%
GALAXY ENTERTAINMENT GROUP LTD	205,000	10,578,000	2.46%
HONG KONG EXCHANGES & CLEARING LTD	17,400	5,867,280	1.36%
KOOLEARN TECHNOLOGY HLDG LTD	41,500	2,178,750	0.51%
KUAISHOU TECHNOLOGY	49,500	3,516,975	0.82%
LONGFOR GROUP HLDGS LTD	316,500	7,690,950	1.79%
MEITUAN-CLASS B	101,200	17,679,640	4.11%
TENCENT HLDGS LTD	70,200	23,446,800	5.45%
WUXI BIOLOGICS CAYMAN INC	223,000	13,346,550	3.10%
ZHAOJIN MINING INDUSTRY CO LTD-H	132,000	1,145,760	0.27%
		213,530,995	49.60%

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
Investment Portfolio (Unaudited) – (continued)
As at 31 December 2022

	Holdings	Market value HKD	Net asset value %	
<u>Listed equity securities - United States</u>				
APPLE INC	5,000	5,068,309	1.18%	
TESLA INC	13,389	12,866,844	2.99%	
		<u>17,935,153</u>	<u>4.17%</u>	
	Holdings	Market value HKD	Net asset value %	
<u>Exchange-traded fund – United States</u>				
AXS SHORT INNOVATION DAILY	20,700	8,802,990	2.04%	
ISHARES CHINA LARGE-CAP ETF	51,014	11,263,140	2.62%	
ISHARES MSCI CHINA ETF	54,498	20,195,651	4.69%	
KRANESHARES CSI CHINA INTERNET FUND	84,378	19,880,159	4.62%	
		<u>60,141,940</u>	<u>13.97%</u>	
	Holdings	Market value HKD	Net asset value %	
<u>Depository Receipt-Taiwan</u>				
TAIWAN SEMICONDUCTOR MANUFACTURING CO-ADR	1,800	1,046,054	0.24%	
		<u>1,046,054</u>	<u>0.24%</u>	
	Holdings	Market value HKD	Net asset value %	
<u>Depository Receipt-United States</u>				
ALIBABA GROUP HLDG LTD-SPONSORED ADR	30,248	20,787,725	4.83%	
		<u>20,787,725</u>	<u>4.83%</u>	
	Holdings	Market value HKD	Accrual Interest HKD	Net asset value %
<u>Listed debt securities – China</u>				
<u>Listed debt securities – China</u>				
XIAOMI BEST TIME INTL LTD 3.375% S/A 29APR2030 REGS	400,000	2,453,849	17,846	0.57%
		<u>2,453,849</u>	<u>17,846</u>	<u>0.57%</u>

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
Investment Portfolio (Unaudited) (continued)
As at 31 December 2022

	Contract size	Fair value HKD	Net asset value %
Listed index futures - United States			
NASDAQ 100 E-MINI FUTURE MAR2023	(20)	762,138	0.18%
S&P 500 EMINI FUTURE MAR2023	(24)	718,918	0.17%
		<u>1,481,056</u>	<u>0.35%</u>
Total financial assets at fair value through profit or loss		346,255,067	80.44%
Listed index futures - Hong Kong			
HANG SENG INDEX FUTURE JAN2023	(31)	(285,250)	(0.07%)
Total financial assets and liabilities at fair value through profit or loss		345,969,817	80.37%
Other net assets		84,508,011	19.63%
Total net assets		<u>430,477,828</u>	<u>100.00%</u>
Total financial assets at fair value through profit or loss at cost		<u>359,703,596</u>	

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

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
Statement of Movements in Investment (Unaudited)
As at 31 December 2022

	At 31 December 2021	Movement in holdings		At 31 December 2022
		Additions	Disposals	
Listed equity securities - China				
AIER EYE HOSPITAL GROUP CO LTD-A	-	156,078	(156,078)	-
C&S PAPER CO LTD-A	-	231,700	-	231,700
CHACHA FOOD CO LTD-A	-	104,100	(104,100)	-
CHINA NORTHERN RARE EARTH GROUP HI-TECH CO LTD-A	69,800	552,647	(622,447)	-
CHINA RESOURCES SANJIU MEDICAL & PHARMACEUTICAL CO LTD-A	-	263,552	(263,552)	-
CHINA TOURISM GROUP DUTY FREE CORP LTD-A	-	57,291	(57,291)	-
CHINAAMC CNI SEMI-CONDUCTOR CHIP ETF	-	2,137,200	(2,137,200)	-
CHONGQING BREWERY CO LTD-A	-	46,300	(46,300)	-
CHONGQING FULING ZHACAI GROUP CO LTD-A	-	169,400	(169,400)	-
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	43,105	74,962	(88,700)	29,367
EAST MONEY INFORMATION CO LTD-A	-	260,300	(260,300)	-
ESTUN AUTOMATION CO LTD-A	-	54,300	(54,300)	-
FOSHAN HAITIAN FLAVOURING & FOOD CO LTD-A	32,272	-	(32,272)	-
GOERTEK INC-A	285,091	140,833	(425,924)	-
GUANGZHOU TINCI MATERIALS TECHNOLOGY CO LTD-A	-	163,725	(163,725)	-
GUOTAI CSI NATIONAL DEFENSE ETF	-	1,111,200	(1,111,200)	-
HT-PB CSI PTVT IDT ETF	-	804,300	(804,300)	-
HWABAO CSI MEDICAL ETF	-	4,889,600	(4,889,600)	-
IMEIK TECHNOLOGY DEVELOPMENT CO LTD-A	-	8,900	(8,900)	-
JIANGSU EASTERN SHENGHONG CO LTD-A	-	207,800	(207,800)	-
KWEICHOW MOUTAI CO LTD-A	6,885	15,300	(15,885)	6,300
LONGI GREEN ENERGY TECHNOLOGY CO LTD-A	85,943	599,343	(685,286)	-
LUXSHARE PRECISION INDUSTRY CO LTD-A	-	60,810	(60,810)	-
MING YANG SMART ENERGY GROUP LTD-A	-	59,105	(59,105)	-
MUYUAN FOODSTUFF CO LTD-A	-	143,810	(143,810)	-
NARI TECHNOLOGY CO LTD-A	-	287,655	(287,655)	-
NINGBO TUOPU GROUP CO LTD-A	-	56,000	(56,000)	-
PENGHUA CSI ALCOHOL ETF	-	2,547,525	(2,547,525)	-
QINGDAO SENTURY TIRE CO LTD-A	-	41,400	(41,400)	-
QINGHAI SALT LAKE INDUSTRY CO LTD-A	-	97,780	(97,780)	-
S F HLDG CO LTD-A	-	190,948	(190,948)	-
SHENZHEN MINDRAY BIO-MEDICAL ELECTRONICS CO LTD-A	-	9,300	(9,300)	-
STARPOWER SEMICONDUCTOR LTD-A	-	36,551	(36,551)	-
STO EXPRESS CO LTD-A	-	173,704	(173,704)	-
SUNGROW POWER SUPPLY CO LTD-A	91,567	241,739	(333,306)	-
SUZHOU MAXWELL TECHNOLOGIES CO LTD-A	-	5,600	(5,600)	-
TIANJIN ZHONGHUAN SEMICONDUCTOR CO LTD-A	-	156,300	(156,300)	-
WALVAX BIOTECHNOLOGY CO LTD-A	-	332,700	(332,700)	-

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements

Statement of Movements in Investment (Unaudited) (continued)

As at 31 December 2022

	At 31 December 2021	Movement in holdings		At 31 December 2022
		Additions	Disposals	
Listed equity securities – China – (continued)				
WILL SEMICONDUCTOR LTD-A	11,600	-	(11,600)	-
YTO EXPRESS GROUP CO LTD-A	-	886,204	(886,204)	-
YUNNAN ENERGY NEW MATERIAL CO LTD-A	-	12,000	(12,000)	-
ZHANGZHOU PIENZHEHUANG PHARMACEUTICAL CO LTD-A	26,921	3,600	(30,521)	-
Listed equity securities - Hong Kong				
AIA GROUP LTD	-	231,200	(231,200)	-
AIR CHINA LTD-H	-	1,030,000	(1,030,000)	-
AKESO INC	-	223,000	(223,000)	-
ALIBABA GROUP HLDG LTD	-	611,100	(611,100)	-
ANHUI CONCH CEMENT CO LTD-H	-	466,500	(466,500)	-
ANTA SPORTS PRODUCTS LTD	-	11,000	-	11,000
BEIGENE LTD	-	192,700	(155,900)	36,800
BUDWEISER BREWING CO APAC LTD	-	715,700	(415,300)	300,400
BYD CO LTD-H	52,000	341,800	(326,500)	67,300
BYD ELECTRONIC (INTL) CO LTD	-	95,500	(95,500)	-
CATHAY PACIFIC AIRWAYS LTD	-	1,875,000	(1,875,000)	-
CHINA COAL ENERGY CO LTD-H	-	205,000	(205,000)	-
CHINA COMMUNICATIONS CONSTRUCTION CO LTD-H	-	1,340,000	(1,340,000)	-
CHINA CONSTRUCTION BANK CORP-H	-	5,898,000	(4,124,000)	1,774,000
CHINA EDUCATION GROUP HLDGS LTD	-	1,410,000	(1,191,000)	219,000
CHINA ENERGY ENGINEERING CORP LTD-H	8,326,000	-	(8,326,000)	-
CHINA EVERBRIGHT ENVIRONMENT GROUP LTD	1,430,000	645,000	(2,075,000)	-
CHINA LIFE INSURANCE CO LTD-H	-	322,000	-	322,000
CHINA LONGYUAN POWER GROUP CORP LTD-H	963,000	901,000	(1,864,000)	-
CHINA MENGNIU DAIRY CO LTD	-	182,000	(182,000)	-
CHINA MERCHANTS BANK CO LTD-H	-	915,000	(915,000)	-
CHINA MERCHANTS PORTS HLDGS CO LTD	318,000	290,000	(608,000)	-
CHINA MOBILE LTD	-	1,132,000	(821,000)	311,000
CHINA OVERSEAS LAND & INVESTMENT LTD	-	2,363,000	(1,654,000)	709,000
CHINA OVERSEAS PROPERTY HLDGS LTD	-	2,705,000	(2,705,000)	-
CHINA POWER INTL DEVELOPMENT LTD	-	2,862,000	(2,862,000)	-
CHINA RAILWAY GROUP LTD-H	-	3,089,000	(3,089,000)	-
CHINA RESOURCES LAND LTD	-	98,000	(98,000)	-
CHINA RESOURCES PHARMACEUTICAL GROUP LTD	-	1,274,500	(504,500)	770,000
CHINA RESOURCES POWER HLDGS CO	1,614,000	986,000	(2,318,000)	282,000
CHINA SHENHUA ENERGY CO LTD-H	-	1,307,500	(1,307,500)	-
CHINA STATE CONSTRUCTION INTL HLDGS LTD	-	858,000	(858,000)	-
CHINA TOURISM GROUP DUTY FREE CORP LTD-H	-	74,300	(23,200)	51,100

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

Annual Report and Financial Statements
Statement of Movements in Investment (Unaudited) (continued)
As at 31 December 2022

	At 31 December 2021	Movement in holdings		At 31 December 2022
		Additions	Disposals	
Listed equity securities - Hong Kong – (continued)				
CHINA TRADITIONAL CHINESE MEDICINE HLDGS CO LTD	-	781,465	(781,465)	-
CHINA UNICOM (HONG KONG) LTD	-	4,012,000	(2,274,000)	1,738,000
CHINA YONGDA AUTOMOBILES SERVICES HLDGS LTD	-	719,500	(719,500)	-
CHINAAMC CSI 300 INDEX ETF	-	739,600	(739,600)	-
CHOW TAI FOOK JEWELLERY GROUP LTD	-	740,000	(740,000)	-
CIFI HLDGS GROUP CO LTD	1,432,300	4,300,000	(5,732,300)	-
CIMC ENRIC HLDGS LTD	948,000	450,000	(1,398,000)	-
CNOOC LTD	-	4,110,000	(2,173,000)	1,937,000
COFCO JOYCOME FOODS LTD	-	5,138,000	(5,138,000)	-
COSCO SHIPPING ENERGY TRANSPORTATION CO LTD-H	-	5,692,000	(5,692,000)	-
COSCO SHIPPING HLDGS CO LTD-H	584,000	382,000	(966,000)	-
COUNTRY GARDEN HLDGS CO LTD	-	1,718,000	-	1,718,000
COUNTRY GARDEN SERVICES HLDGS CO LTD	382,649	-	(382,649)	-
COWELL E HLDGS INC	704,000	-	(704,000)	-
CSC FINANCIAL CO LTD-H	-	418,000	(418,000)	-
CSOP FTSE CHINA A50 ETF-HKD	-	4,191,600	(4,191,600)	-
CSOP HANG SENG TECH INDEX ETF	-	16,137,800	(16,137,800)	-
CSOP SZSE CHINEXT ETF-HKD	-	26,600	(26,600)	-
DONGFANG ELECTRIC CORP LTD-H	447,000	-	(447,000)	-
DONGYUE GROUP LTD	-	504,000	(504,000)	-
ENN ENERGY HLDGS LTD	-	21,400	-	21,400
FLAT GLASS GROUP CO LTD-H	-	247,000	(247,000)	-
GALAXY ENTERTAINMENT GROUP LTD	-	398,000	(193,000)	205,000
GANFENG LITHIUM CO LTD-H	-	73,800	(73,800)	-
GCL POLY ENERGY HLDGS LTD	1,586,000	7,782,000	(9,368,000)	-
GEELY AUTOMOBILE HLDGS LTD	-	1,417,000	(1,417,000)	-
GF SECURITIES CO LTD-H	459,400	-	(459,400)	-
GLOBAL X ETF SERIES-GLOBAL X CHINA CLEAN ENERGY ETF-HKD	59,500	29,950	(89,450)	-
GLOBAL X ETF SERIES-GLOBAL X CHINA ELECTRIC VEHICLE AND BATTERY ETF-HKD	47,200	26,200	(73,400)	-
GOME RETAIL HLDGS LTD	-	12,289,000	(12,289,000)	-
GUANGDONG INVESTMENT LTD	-	564,000	(564,000)	-
HANG SENG CHINA ENTERPRISES INDEX ETF	408,400	2,211,000	(2,619,400)	-
HANG SENG INVESTMENT INDEX FUNDS SERIES II - HANG SENG INDEX ETF	-	9,600	(9,600)	-
HONG KONG & CHINA GAS CO LTD	-	1,612,000	(1,612,000)	-
HONG KONG EXCHANGES & CLEARING LTD	-	158,200	(140,800)	17,400
HSBC HLDGS PLC	719,200	582,800	(1,302,000)	-
HUANENG POWER INTL INC-H	-	1,876,000	(1,876,000)	-

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements

Statement of Movements in Investment (Unaudited) (continued)

As at 31 December 2022

	At 31 December 2021	Movement in holdings		At 31 December 2022
		Additions	Disposals	
Listed equity securities - Hong Kong – (continued)				
HYGEIA HEALTHCARE HLDGS CO LTD	-	245,600	(245,600)	-
INNOVENT BIOLOGICS INC (B)	-	379,500	(379,500)	-
JD HEALTH INTL INC	-	35,500	(35,500)	-
JD.COM INC	33,750	45,335	(79,085)	-
JIUMAOJIU INTL HLDGS LTD	-	97,000	(97,000)	-
KINGDEE INTL SOFTWARE GROUP CO LTD	-	95,000	(95,000)	-
KOOLEARN TECHNOLOGY HLDG LTD	-	175,000	(133,500)	41,500
KUAISHOU TECHNOLOGY	-	309,000	(259,500)	49,500
KWG GROUP HLDGS LTD	-	1,083,500	(1,083,500)	-
LI AUTO INC-CL A	-	12,300	(12,300)	-
LI NING CO LTD	319,500	179,000	(498,500)	-
LONGFOR GROUP HLDGS LTD	342,000	1,092,500	(1,118,000)	316,500
LUOYANG GLASS CO LTD-H	530,000	216,000	(746,000)	-
MEITUAN-CLASS B	-	331,800	(230,600)	101,200
MICROPORT SCIENTIFIC CORP	-	255,300	(255,300)	-
PACIFIC BASIN SHIPPING LTD	-	2,628,000	(2,628,000)	-
PCCW LTD	-	1,252,000	(1,252,000)	-
PETROCHINA CO LTD-H	-	4,182,000	(4,182,000)	-
PICC PROPERTY & CASUALTY CO LTD-H	-	638,000	(638,000)	-
PING AN INSURANCE GROUP CO OF CHINA LTD-H	365,000	444,800	(809,800)	-
SANDS CHINA LTD	-	284,400	(284,400)	-
SEMICONDUCTOR MANUFACTURING INTL CORP	-	135,000	(135,000)	-
SENSETIME GROUP INC-CL B	-	3,849,000	(3,849,000)	-
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD-H	-	160,500	(160,500)	-
SHANGHAI FUDAN MICROELECTRONICS GROUP CO LTD-H	-	53,000	(53,000)	-
SHANGHAI MICROPORT MEDBOT (GROUP) CO LTD	-	38,000	(38,000)	-
SHENZHOU INTL GROUP HLDGS LTD	-	65,200	(65,200)	-
SIHUAN PHARMACEUTICAL HLDGS GROUP LTD	-	1,423,000	(1,423,000)	-
SINO BIOPHARMACEUTICAL LTD	-	663,000	(663,000)	-
SKYWORTH GROUP LTD	802,000	-	(802,000)	-
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	-	3,700	(3,700)	-
SWIRE PACIFIC LTD 'A'	-	27,000	(27,000)	-
TENCENT HLDGS LTD	76,300	229,000	(235,100)	70,200
TRACKER FUND OF HONG KONG	2,758,000	13,797,500	(16,555,500)	-
TRIP.COM GROUP LTD	-	15,950	(15,950)	-
TRULY INTL HLDGS LTD	-	1,240,000	(1,240,000)	-
TSINGTAO BREWERY CO LTD-H	-	136,000	(136,000)	-
WANT WANT CHINA HLDGS LTD	616,000	1,719,000	(2,335,000)	-
WEICHAJ POWER CO LTD-H	286,000	-	(286,000)	-
WEIMOB INC	-	91,000	(91,000)	-

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements

Statement of Movements in Investment (Unaudited) (continued)

As at 31 December 2022

	At 31 December 2021	<u>Movement in holdings</u>		At 31 December 2022
		Additions	Disposals	
Listed equity securities - Hong Kong – (continued)				
WHARF REAL ESTATE INVESTMENT CO LTD	-	176,000	(176,000)	-
WUXI BIOLOGICS CAYMAN INC	140,500	1,371,000	(1,288,500)	223,000
XIAOMI CORP-CLASS B SHARE	-	279,200	(279,200)	-
YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LTD CO-H	-	830,500	(830,500)	-
YANKUANG ENERGY GROUP CO LTD-H	-	104,000	(104,000)	-
YUEXIU PROPERTY CO LTD	-	318,000	(318,000)	-
YUM CHINA HLDGS INC	-	24,150	(24,150)	-
ZHAOJIN MINING INDUSTRY CO LTD-H	-	132,000	-	132,000
ZHONGSHENG GROUP HLDGS LTD	-	33,000	(33,000)	-
ZHUZHOU CRRC TIMES ELECTRIC CO LTD-H	-	220,500	(220,500)	-
Listed equity securities - United States				
ABBVIE INC	-	9,076	(9,076)	-
ADVANCED MICRO DEVICES INC	14,568	30,614	(45,182)	-
ALIBABA GROUP HLDG LTD-SPONSORED ADR	-	52,348	(22,100)	30,248
ALPHABET INC-CL C	-	300	(300)	-
AMPLIFY TRANSFORMATIONAL DATA SHARING ETF	-	102,163	(102,163)	-
APPLE INC	9,943	46,208	(51,151)	5,000
ARK INNOVATION ETF	-	51,894	(51,894)	-
AXS SHORT INNOVATION DAILY	-	106,359	(85,659)	20,700
BERKSHIRE HATHAWAY INC-CL B	-	3,033	(3,033)	-
BROADCOM INC	1,600	-	(1,600)	-
CHEWY INC-CL A	-	10,459	(10,459)	-
CME GROUP INC-CL A	-	6,000	(6,000)	-
COCA-COLA CO	-	20,400	(20,400)	-
CONSUMER STAPLES SELECT SECTOR SPDR FUND	-	11,900	(11,900)	-
CORTEVA INC	-	48,730	(48,730)	-
CVS HEALTH CORP	5,300	13,800	(19,100)	-
DEERE & CO	-	2,200	(2,200)	-
DIDI GLOBAL INC-SPONSORED ADR	-	365,895	(365,895)	-
DIREXION DAILY 20-YEAR TREASURY BEAR 3X	-	19,400	(19,400)	-
DOLLAR GENERAL CORP	-	2,032	(2,032)	-
DOLLAR TREE INC	-	5,400	(5,400)	-
ELI LILLY & CO	-	2,489	(2,489)	-
ENERGY SELECT SECTOR SPDR FUND	9,600	38,270	(47,870)	-
FIRST TRUST NASDAQ CYBERSECURITY ETF	-	44,987	(44,987)	-
FIRST TRUST NATURAL GAS ETF	-	4,400	(4,400)	-
FUTU HLDGS LTD-SPONSORED ADR	-	87,900	(87,900)	-
GLOBALFOUNDRIES INC	-	32,278	(32,278)	-
HEALTH CARE SELECT SECTOR SPDR FUND	4,000	5,000	(9,000)	-
HP INC	30,600	14,000	(44,600)	-

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

Annual Report and Financial Statements

Statement of Movements in Investment (Unaudited) (continued)

As at 31 December 2022

	At 31 December 2021	Movement in holdings		At 31 December 2022
		Additions	Disposals	
Listed equity securities - United States – (continued)				
HUTCHISON CHINA MEDITECH LTD-SPONSORED ADR	-	21,200	(21,200)	-
II-VI INC	7,900	7,600	(15,500)	-
INTERACTIVE BROKERS GROUP INC-CL A	7,000	6,800	(13,800)	-
INVESCO DB US DOLLAR INDEX BULLISH FUND	-	33,656	(33,656)	-
INVESCO DYNAMIC LEISURE AND ENTERTAINMENT ETF	-	27,390	(27,390)	-
INVESCO SOLAR ETF	-	20,610	(20,610)	-
ISHARES CHINA LARGE-CAP ETF	-	253,814	(202,800)	51,014
ISHARES MSCI CHINA ETF	33,400	243,944	(222,846)	54,498
ISHARES MSCI GLOBAL SELECT METALS & MINING PRODUCERS ETF	-	20,700	(20,700)	-
ISHARES PHILX SEMICONDUCTOR ETF	-	1,700	(1,700)	-
ISHARES US AEROSPACE & DEFENSE ETF	-	1,360	(1,360)	-
KE HLDGS INC-SPONSORED ADR	-	146,214	(146,214)	-
KRANESHARES CSI CHINA INTERNET FUND	-	423,383	(339,005)	84,378
KRANESHARES GLOBAL CARBON ETF	21,000	13,143	(34,143)	-
LAM RESEARCH CORP	700	-	(700)	-
LI AUTO INC-SPONSORED ADR	-	104,789	(104,789)	-
LULULEMON ATHLETICA INC	-	2,300	(2,300)	-
LVMH MOET HENNESSY LOUIS VUITTON SE	-	227	(227)	-
LVMH MOET HENNESSY LOUIS VUITTON SE-UNSPONSORED ADR	-	11,532	(11,532)	-
META PLATFORMS INC-CL A	3,200	4,332	(7,532)	-
MICRON TECHNOLOGY INC	25,071	15,016	(40,087)	-
MICROSOFT CORP	-	4,582	(4,582)	-
NUTRIEN LTD	-	20,000	(20,000)	-
NVIDIA CORP	6,075	11,936	(18,011)	-
ON SEMICONDUCTOR CORP	-	7,400	(7,400)	-
PFIZER INC	37,250	47,600	(84,850)	-
PHILIP MORRIS INTL INC	-	4,600	(4,600)	-
PROSHARES ULTRAPRO SHORT QQQ	-	13,300	(13,300)	-
PROSHARES ULTRAPRO SHORT S&P500	-	36,200	(36,200)	-
ROUNDHILL BALL METAVERSE ETF	35,500	487,220	(522,720)	-
SNAP INC-CL A	-	30,928	(30,928)	-
SPDR S&P AEROSPACE & DEFENSE ETF	-	9,500	(9,500)	-
SPDR S&P BIOTECH ETF	-	5,600	(5,600)	-
SPDR S&P METALS & MINING ETF	-	62,498	(62,498)	-
SPDR S&P OIL & GAS EXPLORATION & PRODUCTION ETF	-	22,790	(22,790)	-
TAIWAN SEMICONDUCTOR MANUFACTURING CO-ADR	-	27,112	(25,312)	1,800
SQUARE INC-A	-	4,500	(4,500)	-
TESLA INC	5,333	19,620	(11,564)	13,389
TRIP.COM GROUP LTD-ADR	-	20,900	(20,900)	-

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

Annual Report and Financial Statements

Statement of Movements in Investment (Unaudited) (continued)

As at 31 December 2022

	At 31 December 2021	<u>Movement in holdings</u>		At 31 December 2022
		Additions	Disposals	
Listed equity securities - United States - (continued)				
TWITTER INC	-	17,000	(17,000)	-
US GLOBAL JETS ETF	-	180,220	(180,220)	-
UTILITIES SELECT SECTOR SPDR FUND	-	6,300	(6,300)	-
VANECK VECTORS AGRIBUSINESS ETF	-	7,946	(7,946)	-
VANGUARD CONSUMER STAPLES ETF	-	75	(75)	-
VANGUARD VALUE ETF	3,800	4,057	(7,857)	-
VISA INC - A	-	8,357	(8,357)	-
WASTE MANAGEMENT INC	-	4,851	(4,851)	-
WEYERHAEUSER CO	-	14,060	(14,060)	-
XPENG INC-SPONSORED ADR	-	11,200	(11,200)	-
XTRACKERS HARVEST CSI 300 CHINA A-SHARES ETF	-	84,800	(84,800)	-
Listed index futures - Hong Kong				
HANG SENG CHINA ENTERPRISES INDEX FUTURE JAN2022	(71)	(85)	156	-
HANG SENG CHINA ENTERPRISES INDEX FUTURE FEB2022	-	(203)	203	-
HANG SENG CHINA ENTERPRISES INDEX FUTURE MAR2022	-	(316)	316	-
HANG SENG CHINA ENTERPRISES INDEX FUTURE APR2022	-	(184)	184	-
HANG SENG CHINA ENTERPRISES INDEX FUTURE MAY2022	-	(184)	184	-
HANG SENG CHINA ENTERPRISES INDEX FUTURE NOV2022	-	(45)	45	-
HANG SENG CHINA ENTERPRISES INDEX FUTURE DEC2022	-	(37)	37	-
HANG SENG INDEX FUTURE JAN2022	(80)	(7)	87	-
HANG SENG INDEX FUTURE FEB2022	-	(66)	66	-
HANG SENG INDEX FUTURE MAR2022	-	(319)	319	-
HANG SENG INDEX FUTURE APR2022	-	(234)	234	-
HANG SENG INDEX FUTURE MAY2022	-	(189)	189	-
HANG SENG INDEX FUTURE JUN2022	-	118	(118)	-
HANG SENG INDEX FUTURE JUL2022	-	132	(132)	-
HANG SENG INDEX FUTURE AUG2022	-	76	(76)	-
HANG SENG INDEX FUTURE SEP2022	-	68	(68)	-
HANG SENG INDEX FUTURE OCT2022	-	(24)	24	-
HANG SENG INDEX FUTURE NOV2022	-	(155)	155	-
HANG SENG INDEX FUTURE DEC2022	-	(149)	149	-
HANG SENG INDEX FUTURE JAN2023	-	(31)	-	(31)
HANG SENG TECH INDEX FUTURE FEB2022	-	50	(50)	-
HANG SENG TECH INDEX FUTURE MAR2022	-	(155)	155	-
HANG SENG TECH INDEX FUTURE APR2022	-	(269)	269	-
HANG SENG TECH INDEX FUTURE MAY2022	-	(425)	425	-
HANG SENG TECH INDEX FUTURE JUN2022	-	732	(732)	-
HANG SENG TECH INDEX FUTURE JUL2022	-	620	(620)	-
HANG SENG TECH INDEX FUTURE AUG2022	-	416	(416)	-

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements

Statement of Movements in Investment (Unaudited) (continued)

As at 31 December 2022

	At 31 December 2021	<u>Movement in holdings</u>		At 31 December 2022
		Additions	Disposals	
Listed index futures - Hong Kong - (continued)				
HANG SENG TECH INDEX FUTURE SEP2022	-	561	(561)	-
HANG SENG TECH INDEX FUTURE OCT2022	-	153	(153)	-
HANG SENG TECH INDEX FUTURE NOV2022	-	(543)	543	-
HANG SENG TECH INDEX FUTURE DEC2022	-	(628)	628	-
HANG SENG TECH INDEX FUTURE JAN2023	-	20	(20)	-
Listed futures – Singapore				
SGX FTSE CHINA A50 INDEX FUTURE FEB2022	-	40	(40)	-
SGX FTSE CHINA A50 INDEX FUTURE MAR2022	-	(205)	205	-
SGX FTSE CHINA A50 INDEX FUTURE APR2022	-	(88)	88	-
SGX FTSE CHINA A50 INDEX FUTURE MAY2022	-	85	(85)	-
SGX FTSE CHINA A50 INDEX FUTURE JUN2022	-	130	(130)	-
SGX FTSE CHINA A50 INDEX FUTURE JUL2022	-	90	(90)	-
SGX FTSE CHINA A50 INDEX FUTURE AUG2022	-	271	(271)	-
SGX FTSE CHINA A50 INDEX FUTURE SEP2022	-	336	(336)	-
SGX FTSE CHINA A50 INDEX FUTURE OCT2022	-	153	(153)	-
SGX FTSE CHINA A50 INDEX FUTURE NOV2022	-	(443)	443	-
SGX FTSE CHINA A50 INDEX FUTURE DEC2022	-	(358)	358	-
Listed futures - United States				
CBOE VOLATILITY INDEX FUTURE MAY2022	-	23	(23)	-
E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE JUN2022	-	45	(45)	-
E-MINI DOW-CBOT MINI-SIZED DJIA FUTURE SEP2022	-	19	(19)	-
EMINI RUSSELL 2000 INDEX FUTURE MAR2022	-	28	(28)	-
EMINI RUSSELL 2000 INDEX FUTURE JUN2022	-	20	(20)	-
GOLD 100 OZ FUTURE APR2022	-	56	(56)	-
GOLD 100 OZ FUTURE JUN2022	-	31	(31)	-
GOLD 100 OZ FUTURE AUG2022	-	15	(15)	-
NASDAQ 100 E-MINI FUTURE MAR2022	2	32	(34)	-
NASDAQ 100 E-MINI FUTURE JUN2022	-	78	(78)	-
NASDAQ 100 E-MINI FUTURE SEP2022	-	(35)	35	-
NASDAQ 100 E-MINI FUTURE DEC2022	-	(53)	53	-
NASDAQ 100 E-MINI FUTURE MAR2023	-	(28)	8	(20)
S&P 500 EMINI FUTURE MAR2022	-	46	(46)	-
S&P 500 EMINI FUTURE JUN2022	-	50	(50)	-
S&P 500 EMINI FUTURE SEP2022	-	(29)	29	-
S&P 500 EMINI FUTURE DEC2022	-	(63)	63	-
S&P 500 EMINI FUTURE MAR2023	-	(24)	-	(24)

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

Annual Report and Financial Statements

Statement of Movements in Investment (Unaudited) (continued)

As at 31 December 2022

	At 31 December 2021	<u>Movement in holdings</u>		At 31 December 2022
		Additions	Disposals	
Listed debt securities – China				
XIAOMI BEST TIME INTL LTD 3.375% S/A 29APR2030 REGS	400,000	-	-	400,000
Quoted Equity Swap - China				
SWAP LUXSHARE PRECISION INDUSTRY CO LTD- A (CH.002475) 02NOV2022	72,100	-	(72,100)	-
SWAP CHACHA FOOD CO LTD-A (CH.002557) 02NOV2022	-	163,200	(163,200)	-
ZHANGZHOU PIENZEHUANG PHARMACEUTICAL CO LTD-A (CH.600436) 02NOV2022	12,000	-	(12,000)	-
SWAP KWEICHOW MOUTAI CO LTD-A (CH.600519) 02NOV2022	1,800	-	(1,800)	-
SWAP CHINA TOURISM GROUP DUTY FREE CORP LTD-A (CH.601888) 02NOV2022	-	7,200	(7,200)	-
SWAP TRINA SOLAR CO LTD-A (CH.688599) 02NOV2022	117,882	-	(117,882)	-

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 2022

The Sub-Fund held the following derivative instruments with the counterparty as Morgan Stanley & Co. International plc, as at 31 December 2022

Underlying assets

Listed index futures - Hong Kong

HANG SENG INDEX FUTURE JAN2023	HANG SENG INDEX
--------------------------------	-----------------

Listed index futures - United States

NASDAQ 100 E-MINI FUTURE MAR2023	NASDAQ 100 INDEX
----------------------------------	------------------

S&P 500 EMINI FUTURE MAR2023	S&P 500 INDEX
------------------------------	---------------

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements

Information on exposure arising from financial derivative instruments (Unaudited)

As at 31 December 2022

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 2022.

	2022 % of NAV
Lowest gross exposure	11.76%
Highest gross exposure	61.68%
Average gross exposure	32.98%

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 2022.

	2022 % of NAV
Lowest net exposure	0.00%
Highest net exposure	35.47%
Average net exposure	10.87%

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%

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
Performance Table (Unaudited)
As at 31 December 2022

Net Asset Value

	Dealing net asset value	Dealing net asset value per Units	
At 30 December 2022 (Note1)			
Class A HKD (Accumulation) Units	HKD391,363,614	HKD79.1158	(Note2)
Class A HKD (Distribution) Units	HKD29,462,581	HKD57.7906	(Note2)
Class A RMB (Accumulation) Unit	RMB9,006,677	RMB57.0951	(Note2)
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	

Note1: This is the last dealing day for the year ended 31 December 2022.

Note2: This is the last published dealing net asset value per unit for the year ended 31 December 2022.

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

Annual Report and Financial Statements
Performance Table (Unaudited) (continued)
As at 31 December 2022

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 2022		
Class A HKD (Accumulation) Units	HKD133.7575	HKD77.5632
Class A HKD (Distribution) Units	HKD100.7003	HKD56.6565
Class A RMB (Accumulation) Unit	RMB88.9719	RMB57.0951
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