



CFund-China Equity

(a Sub-Fund of CFund)

Annual Report and Financial Statements

For the year ended 31 December 2025

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2025

<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 - 8
Statement of financial position	9
Statement of comprehensive income	10
Statement of changes in net assets attributable to unitholders	11
Statement of cash flows	12
Notes to the financial statements	13 – 45
Investment Portfolio (Unaudited)	46 – 47
Statement of Movements in Investment (Unaudited)	48 – 53
Details in respect of financial derivative instruments (Unaudited)	54
Information on exposure arising from financial derivative instruments (Unaudited)	55
Performance Table (Unaudited)	56 – 57

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2025

Management and Administration

Manager

Pickers Capital Management Limited
Suite 801-802, 8/F, South Tower,
World Finance Centre, Harbour City,
Nos.17-19 Canton Road, Tsim Sha Tsui,
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

Leung Kwan Yu
Lo Ho Shun

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 2025

Report of the Manager to the unitholders

The year 2025 was a year of opportunities and volatility for global investors. Despite a complex macroeconomic backdrop, the Hong Kong and China markets navigated headwinds resiliently, with the Hang Seng Index ultimately delivering a remarkable 28% full-year gain.

The year began with investor anxiety surrounding the new US administration's inauguration. However, a major catalyst arrived in February with DeepSeek's low-cost AI breakthrough, which sparked a massive tech revaluation and drove the Hang Seng Index up 13.4% for the month. April delivered a severe stress test when the US "Liberation Day" tariff escalation triggered a sharp 13% market correction. Fortunately, a subsequent 90-day tariff pause shifted the landscape back into a negotiation phase, restoring broader market confidence.

Entering the second half of the year, bullish momentum was sustained by domestic tech breakthroughs. Developments in China's domestic semiconductor industry—notably Alibaba's T-Head and Baidu's Kunlun initiatives—alongside the resumption of Nvidia H200 chip supplies, fueled a strong valuation re-rating in the technology and memory sectors. However, the fourth quarter brought renewed consolidation. Heightened Sino-Japanese regional tensions, coupled with global concerns over an "AI bubble" and supply constraints that forced Chinese hyperscalers to temper their capital expenditure guidance, prompted a defensive sector rotation and year-end profit-taking.

Employing a barbell strategy in 2025, the Fund actively reduced exposure to the hyper-competitive e-commerce and auto sectors, redirecting our focus towards high-conviction value in the financial sector and the rapidly developing AI hardware supply chain.

Looking ahead to 2026, we believe compelling valuations will serve as a critical anchor for the Hong Kong market. As global geopolitical tensions remain elevated, asset diversification away from the US dollar has emerged as a major structural theme, which continues to drive capital inflows into the region. Against this backdrop, China's re-growth narrative is increasingly driven by domestic AI innovation and robust supply chain support. Furthermore, Chinese exports have demonstrated remarkable resilience despite intensified geographic frictions. Given these dynamics, we maintain a cautiously optimistic outlook on the broader Chinese economy.

For and on behalf of



Pickers Capital Management Limited

28 April 2026

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

Annual Report and Financial Statements
For the year ended 31 December 2025

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 2025.



BOCI-Prudential Trustee Limited
28 April 2026

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

Annual Report and Financial Statements
For the year ended 31 December 2025

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.



羅兵咸永道

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 9 to 45, comprise:

- the statement of financial position as at 31 December 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information 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 2025, and of its financial transactions and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

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 Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the “Code”) and we have fulfilled our other ethical responsibilities in accordance with the Code.

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 IFRS Accounting Standards, 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.

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, 28 April 2026

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

Statement of Financial Position
As at 31 December 2025

	Notes	As at 31 December 2025 HK\$	As at 31 December 2024 HK\$
ASSETS			
CURRENT ASSETS			
Financial assets at fair value through profit or loss	3(a)	257,845,520	204,482,407
Dividends receivable		269,865	60,660
Prepayments		19,268	25,397
Amount due from broker		2,997,122	-
Margin deposits	8	10,239,346	7,060,255
Bank balances	11(a)	32,300,716	18,510,873
TOTAL ASSETS		<u>303,671,837</u>	<u>230,139,592</u>
LIABILITIES			
CURRENT LIABILITIES			
Derivatives	3(a), 6	47,720	21,510
Management fee payable	11(c)	412,427	299,993
Trustee fee payable	11(b)	42,667	41,333
Amount due to broker		4,751	-
Amounts payable on redemption of units		-	6,092,504
Distributions payable to unitholders	12	432,279	191,138
Other payables and accruals		197,421	89,532
LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>1,137,265</u>	<u>6,736,010</u>
NET ASSETS		<u>302,534,572</u>	<u>223,403,582</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	9	<u>302,534,572</u>	<u>223,403,582</u>

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 13 to 45 are an integral part of these financial statements.

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

Statement of Comprehensive Income
For the year ended 31 December 2025

	Notes	For the year ended 31 December 2025 HK\$	For the year ended 31 December 2024 HK\$
INCOME			
Dividend income		6,408,581	6,281,395
Interest income on bank deposits	11(a)	156,913	311,474
Net realised gain on financial assets at fair value through profit or loss		62,767,725	10,859,817
Net change in unrealised gain on financial assets at fair value through profit or loss		13,337,689	26,142,330
Net exchange gain/(loss)		230,229	(572,723)
Other income		-	8,339
TOTAL NET INCOME		<u>82,901,137</u>	<u>43,030,632</u>
EXPENSES			
Management fee	11(c)	4,025,417	2,817,902
Trustee fee	11(b)	480,000	480,000
Custodian fee	11(f)	73,240	59,493
Auditors' remuneration		185,550	184,132
Transaction costs		1,438,849	723,472
Brokers commission expenses		906,472	464,585
Transaction and handling fees	11(e),11(f)	228,876	237,882
Other general expenses	11(e),11(f)	43,628	79,093
TOTAL OPERATING EXPENSES		<u>7,382,032</u>	<u>5,046,559</u>
PROFIT BEFORE TAX		75,519,105	37,984,073
Withholding taxes	10	347,418	340,453
PROFIT AFTER TAX AND BEFORE DISTRIBUTION		<u>75,171,687</u>	<u>37,643,620</u>
Distributions to unitholders	12	<u>(1,143,052)</u>	<u>(746,756)</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>74,028,635</u>	<u>36,896,864</u>

The notes on pages 13 to 45 are an integral part of these financial statements.

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

Statement of Changes in Net Assets Attributable to Unitholders For the year ended 31 December 2025

	For the year ended 31 December 2025 HK\$	For the year ended 31 December 2024 HK\$
Net assets attributable to unitholders at the beginning of the year	223,403,582	143,583,985
Subscription of units	23,931,520	67,440,578
Redemption of units	(18,829,165)	(24,517,845)
Net increase from transactions with unitholders	<u>5,102,355</u>	<u>42,922,733</u>
Profit after tax and before distribution	75,171,687	37,643,620
Distribution to unitholders	12 (1,143,052)	(746,756)
Net assets attributable to unitholders at the end of the year	<u>302,534,572</u>	<u>223,403,582</u>

<u>2025</u>	<u>Class A HKD (Accumulation) Units</u>	<u>Class A HKD (Distribution) Units</u>	<u>Class A RMB (Accumulation) Units</u>
At the beginning of the year .	2,537,956.9951	366,304.6100	130,418.4124
Subscriptions during the year	9,904.0512	274,551.0028	34,890.6983
Redemptions during the year	(190,712.5284)	(3,558.6601)	(11,991.6830)
At the end of the year	<u>2,357,148.5179</u>	<u>637,296.9527</u>	<u>153,317.4277</u>

<u>2024</u>	<u>Class A HKD (Accumulation) Units</u>	<u>Class A HKD (Distribution) Units</u>	<u>Class A RMB (Accumulation) Units</u>
At the beginning of the year	1,857,910.6147	393,959.4036	131,034.1476
Subscriptions during the year	1,005,477.6036	0.7393	-
Redemptions during the year	(325,431.2232)	(27,655.5329)	(615.7352)
At the end of the year	<u>2,537,956.9951</u>	<u>366,304.6100</u>	<u>130,418.4124</u>

The notes on pages 13 to 45 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 2025

	Notes	For the year ended 31 December 2025 HK\$	For the year ended 31 December 2024 HK\$
Cash flows from operating activities			
Profit before income tax		75,519,105	37,984,073
Adjustments for:			
Interest Income on bank deposits		(156,913)	(311,474)
Dividend income		(6,408,581)	(6,281,395)
Net exchange (gain)/loss		(230,229)	572,723
Operating profit before working capital changes		<u>68,723,382</u>	<u>31,963,927</u>
(Increase)/decrease in financial assets at fair value through profit and loss		(53,363,113)	(84,114,602)
Increase in derivatives		26,210	627,799
Increase in amounts due from broker		(2,997,122)	-
Decrease in margin deposits – restricted	8	384,237	1,207,574
Decrease/(increase) in prepayment		6,129	(16,105)
Decrease in other receivables		-	39
Increase in management fee payable		112,434	120,221
Increase in trustee fee payable		1,334	1,333
Increase in amounts due to broker		4,751	-
Increase/(Decrease) in accounts payable and accruals		107,889	(146,832)
Cash generated from/(used in) from operating activities		<u>13,006,131</u>	<u>(50,356,646)</u>
Withholding taxes paid		(347,418)	(340,453)
Dividend income received		6,199,376	6,322,039
Interest income received on bank deposits		156,913	311,474
Net cash generated from/(used in) operating activities		<u>19,015,002</u>	<u>(44,063,586)</u>
Cash flows from financing activities			
Proceeds from subscription of units		23,931,520	67,440,578
Payments on redemption of units		(24,921,669)	(18,501,910)
Distributions paid to unitholders		(901,911)	(733,018)
Net cash (used in)/generated from financing activities		<u>(1,892,060)</u>	<u>48,205,650</u>
Net increase in cash and cash equivalents		17,122,942	4,142,064
Cash and cash equivalents at the beginning of the year		24,502,207	20,932,866
Net exchange gain/(loss)		230,229	(572,723)
Cash and cash equivalents at the end of the year		<u>41,855,378</u>	<u>24,502,207</u>
Analysis of Balances of Cash and Cash Equivalents:			
Cash at bank		32,300,716	18,510,873
Margin deposits - unrestricted	8	9,554,662	5,991,334
		<u>41,855,378</u>	<u>24,502,207</u>

The notes on pages 13 to 45 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 2025

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"). As at 31 December 2025, the Fund 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. Subsequently on 12 February 2026, Manager decided to terminate CFund – Dynamic Income with effect from 31 March 2026. 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.

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 2025

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 material accounting policies

The material 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 IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

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 IFRS Accounting Standards 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 2025

Notes to the Financial Statements

2. Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to existing standards effective 1 January 2025

There are no amendment to standards and interpretations listed above is expected to have a material effect on the financial statements of the Sub-Fund.

New and amended standards not yet adopted by the Sub-Fund

A number of new standards, amendments to standards and interpretations are effective for periods beginning after 1 January 2025, and have not been early adopted in preparing these financial statements. The Sub-Fund's assessment of the impact of these new standards and amendments is set out below:

- (i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- (ii) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The Sub-Fund is currently still assessing the effect of the forthcoming standard and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Sub-Fund.

(b) 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.

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

2. Summary of material accounting policies (continued)

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

Recognition, derecognition and measurement

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

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

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.

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

2. Summary of material accounting policies (continued)

(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.

(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 gain/(loss)".

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".

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

2. Summary of material accounting policies (continued)

(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.

(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.

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

2. Summary of material accounting policies (continued)

(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.

(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.

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

2. Summary of material accounting policies (continued)

(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 2025 and 2024, 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 2025

Notes to the Financial Statements

2. Summary of material 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 2025

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(a) 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 2025 and 2024.

	2025 HK\$	2024 HK\$
Financial assets at fair value through profit or loss		
Listed investments		
- Equities	233,729,640	171,465,606
- Exchange-traded funds	24,115,880	33,016,801
	<u>257,845,520</u>	<u>204,482,407</u>
Financial liabilities at fair value through profit or loss		
- Derivatives		
- Listed futures	(47,720)	(21,510)
	<u>(47,720)</u>	<u>(21,510)</u>
Financial assets and liabilities at fair value through profit or loss	<u>257,797,800</u>	<u>204,460,897</u>

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(a) 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 2025 and 2024:

	Note	2025		2024	
		Fair value of investment HK\$	% of net asset value	Fair value of investment HK\$	% of net asset value
Listed equities					
Hong Kong		196,901,965	65.09%	169,212,905	75.74%
China		36,827,675	12.17%	2,252,701	1.01%
		<u>233,729,640</u>	<u>77.26%</u>	<u>171,465,606</u>	<u>76.75%</u>
Exchange-traded funds					
Hong Kong		24,115,880	7.97%	27,974,651	12.52%
United States		-	-	5,042,150	2.26%
		<u>24,115,880</u>	<u>7.97%</u>	<u>33,016,801</u>	<u>14.78%</u>
Futures					
Hong Kong		(47,720)	(0.02%)	(21,510)	(0.01%)
	6	<u>(47,720)</u>	<u>(0.02%)</u>	<u>(21,510)</u>	<u>(0.01%)</u>
Total		<u><u>257,797,800</u></u>	<u><u>85.21%</u></u>	<u><u>204,460,897</u></u>	<u><u>91.52%</u></u>

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(a) Market price risk (Continued)

The following table discloses the Sub-Fund's investment in the equities portfolio by industrial sectors as at 31 December 2025 and 2024:

	2025		2024	
	Fair value of investments HK\$	% of net asset value	Fair value of investments HK\$	% of net asset value
Listed equities				
Consumer discretionary	38,256,660	12.65%	59,010,675	26.41%
Energy	6,419,080	2.12%	6,905,380	3.09%
Financials	59,883,455	19.79%	51,573,650	23.09%
Health care	9,503,580	3.14%	-	-
Industrials	15,337,492	5.07%	7,789,061	3.49%
Information technology	35,047,423	11.58%	14,785,800	6.62%
Material	18,065,790	5.97%	-	-
Real estate	4,403,550	1.47%	-	-
Telecommunication services	46,812,610	15.47%	28,959,980	12.96%
Utilities	-	-	2,441,060	1.09%
	<u>233,729,640</u>	<u>77.26%</u>	<u>171,465,606</u>	<u>76.75%</u>

As at 31 December 2025 and 2024, 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, depository receipt and exchange-traded funds 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(b).

	Estimated changes in % +/-	Effect on investment portfolio and on profit/(loss) for the period HK\$ +/-
As at 31 December 2025		
Hang Seng Index	23.90	74,113,673
As at 31 December 2024		
Hang Seng Index	25.20	57,161,750

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(a) Market price risk (Continued)

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

3(b) 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 2025 and 2024, the Sub-Fund had cash and cash at bank of HK\$32,300,716 (2024: HK\$18,510,873) and margin deposits of HK\$10,239,346 (2024: HK\$7,060,255). If interest rates had been 50 basis points (2024: 50 basis points) higher or lower with all other variables held constant, total comprehensive income would have been HK\$212,700 (2024: HK\$127,856) higher or lower as at 31 December 2025 and 2024.

3(c) 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 HK\$, 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.

As at 31 December 2024, the Sub-Fund had net financial assets of HK\$5,042,150 denominated in United States dollars, which is pegged to the HK\$ and hence, the Sub-Fund does not consider its currency risk related to United States dollars to be significant. As at 31 December 2025, the Sub-Fund did not have net financial assets exposed to United States dollars.

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(c) Currency risk (continued)

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

	<u>2025</u>		<u>2024</u>	
	Monetary HK\$ equivalents +/-	Non-Monetary HK\$ equivalents +/-	Monetary HK\$ equivalents +/-	Non-Monetary HK\$ Equivalents +/-
CNY	15,865,453	36,827,675	49,433	2,252,701

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>2025</u>		Change +/-	<u>2024</u>	
		Monetary HK\$ equivalents +/-	Non-Monetary HK\$ equivalents +/-		Monetary HK\$ equivalents +/-	Non-Monetary HK\$ equivalents +/-
CNY	0.5%	79,327	184,138	2%	989	45,054

3(d) 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, deposit with broker, 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 2025 and 2024, all dividend receivables, amount due from broker, margin deposits, cash collateral and bank balances are held with counterparties with a credit rating of A- (2024: 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. Applying the requirements of IFRS 9, the expected credit loss is immaterial for the Sub-Fund and, as such, no expected credit loss has been recognised within the financial statements.

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(d) 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 2025 and 2024 together with its credit rating:

	HK\$	Credit rating	Source of credit rating
At 31 December 2025			
Financial assets at fair value through profit or loss and derivatives			
Bank of China (Hong Kong) Limited	257,845,520	A+	Standard & Poor's
Margin deposits			
Morgan Stanley & Co. International PLC	10,239,346	A+	Standard & Poor's
Amount due from broker			
Morgan Stanley & Co. International PLC	2,997,122	A+	Standard & Poor's
Bank balances			
Bank of China (Hong Kong) Limited	32,300,716	A+	Standard & Poor's
At 31 December 2024			
Financial assets at fair value through profit or loss and derivatives			
Bank of China (Hong Kong) Limited	204,482,407	A+	Standard & Poor's
Margin deposits			
Morgan Stanley & Co. International PLC	7,060,255	A+	Standard & Poor's
Bank balances			
Bank of China (Hong Kong) Limited	18,510,873	A+	Standard & Poor's

The maximum exposure to credit risk as at 31 December 2025 and 2024 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 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(e) 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.

	2025 Less than 3 months HK\$	2024 Less than 3 months HK\$
Management fee payable	412,427	299,993
Trustee fee payable	42,667	41,333
Amounts payable on redemption of units	-	6,092,504
Amount due to brokers	4,751	-
Other payables and accruals	197,421	89,532
Distributions payable to unitholders	432,279	191,138
Net asset attributable to unitholders	302,534,572	223,403,582
	<u>303,624,117</u>	<u>230,118,082</u>

As at 31 December 2025, the total assets of the Sub-Fund amounted to HK\$303,671,837 (2024: HK\$230,139,592). 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 2025, 2 unitholders held 53% and 45% (2024: 61% and 32%) 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 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(f) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 December 2025 and 2024, the Sub-Fund was subject to master netting arrangements for the derivative assets and liabilities of the Sub-Fund held with these counterparties. The margin balance maintained by the Sub-Fund is for the purposes of providing collateral on derivative positions.

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

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

	A	B	C=A-B	D		E=C-D
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position		Net amount
				D(i)	D(ii)	
				Financial instruments	Cash collateral	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
As at 31 December 2025						
Margin deposits	10,239,346	-	10,239,346	47,720	-	10,191,626
	<u>10,239,346</u>	<u>-</u>	<u>10,239,346</u>	<u>47,720</u>	<u>-</u>	<u>10,191,626</u>
	<u><u>10,239,346</u></u>	<u><u>-</u></u>	<u><u>10,239,346</u></u>	<u><u>47,720</u></u>	<u><u>-</u></u>	<u><u>10,191,626</u></u>
As at 31 December 2024						
Margin deposits	7,060,255	-	7,060,255	21,510	-	7,038,745
	<u>7,060,255</u>	<u>-</u>	<u>7,060,255</u>	<u>21,510</u>	<u>-</u>	<u>7,038,745</u>
	<u><u>7,060,255</u></u>	<u><u>-</u></u>	<u><u>7,060,255</u></u>	<u><u>21,510</u></u>	<u><u>-</u></u>	<u><u>7,038,745</u></u>

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(f) 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
	Gross amounts of recognised financial liabilities HK\$	Gross amounts of recognised financial assets set-off in the statement of financial position HK\$	Net amounts of financial liabilities presented in the statement of financial position HK\$	Related amounts not set-off in the statement of financial position		Net amount
				D(i) Financial instruments HK\$	D(ii) Cash collateral HK\$	
As at 31 December 2025						
Derivatives	47,720	-	47,720	47,720	-	-
	<u>47,720</u>	<u>-</u>	<u>47,720</u>	<u>47,720</u>	<u>-</u>	<u>-</u>
As at 31 December 2024						
Derivatives	21,510	-	21,510	21,510	-	-
	<u>21,510</u>	<u>-</u>	<u>21,510</u>	<u>21,510</u>	<u>-</u>	<u>-</u>

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

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

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

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(g) 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 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(g) Fair value estimation (Continued)

The following tables analyse within the fair value hierarchy the Sub-Fund's investments at 31 December 2025 and 2024:

As at 31 December 2025	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Assets				
Financial assets at fair value through profit or loss				
Listed equities	233,729,640	-	-	233,729,640
Exchange-traded funds	24,115,880	-	-	24,115,880
Total	257,845,520	-	-	257,845,520
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives				
- Listed futures	(47,720)	-	-	(47,720)
Total	(47,720)	-	-	(47,720)

CFund - China Equity

(A Sub-Fund of CFund)

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(g) Fair value estimation (Continued)

As at 31 December 2024	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Assets				
Financial assets at fair value through profit or loss				
Listed equities	171,465,606	-	-	171,465,606
Exchange-traded funds	33,016,801	-	-	33,016,801
Total	204,482,407	-	-	204,482,407
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives				
- Listed futures	(21,510)	-	-	(21,510)
Total	(21,510)	-	-	(21,510)

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

3 Financial risk management (Continued)

3(g) 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.

The Sub-Fund did not invest in any level 3 investments during the year ended 31 December 2025 and 2024.

There were no transfers between levels during the year ended 31 December 2025 and 2024.

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(h) 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 2025

Notes to the Financial Statements

4 Significant accounting judgements and estimates (Continued)

Fair value of unlisted investments

As at 31 December 2025 and 2024, the Sub-Fund held a number of derivatives that were valued by reference to broker quotes. Such broker quotes adopted to fair value the investments may be indicative and not executable or legally binding. 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.

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. Although best estimate is used in estimating fair values, there are inherent limitations in any valuation technique. Estimated fair values may differ from the values that would have been used if a readily available market existed.

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, amount due from broker, 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 broker, other payables and accruals, amounts payable on redemption of units and distributions 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 2025

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 2025, the Sub-Fund held futures as shown below:

Futures	Contract size	Notional value HK\$	Position	Fair value HK\$
Financial liabilities				
MINI HANG SENG INDEX FUTURE JAN2026	30	7,694,400	Long	<u>(47,720)</u>

As at 31 December 2024, the Sub-Fund held futures as shown below:

Futures	Contract size	Notional value HK\$	Position	Fair value HK\$
Financial liabilities				
MINI HANG SENG INDEX FUTURE JAN2025	47	9,440,890	Long	<u>(21,510)</u>

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

Annual Report and Financial Statements
For the year ended 31 December 2025

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 2025 and 2024:

Investee Funds	Fund Manager	Place of incorporation	Dealing frequency	% of net asset value of the Investee Funds as at 31 December 2025	% of net asset value of the Investee Funds as at 31 December 2024
CSOP HANG SENG TECH INDEX ETF	CSOP Asset Management Limited	Hong Kong	Daily	-	0.012%
HANG SENG CHINA ENTERPRISES INDEX ETF	Hang Seng Investment Management Ltd	Hong Kong	Daily	-	0.016%
ISHARES MSCI CHINA ETF	BlackRock Fund Advisors	USA	Daily	-	0.007%
KRANESHARES GLOBAL CARBON ETF	Krane Funds Advisors LLC	USA	Daily	-	0.004%
TRACKER FUND OF HONG KONG	Hang Seng Investment Management Ltd	Hong Kong	Daily	0.018%	0.013%

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 2025

Notes to the Financial Statements

7. Unconsolidated structured entities (Continued)

As at 31 December 2025	Fair value HK\$	% of net assets
TRACKER FUND OF HONG KONG	24,115,880	7.97%
	<u>24,115,880</u>	<u>7.97%</u>
	<u><u>24,115,880</u></u>	<u><u>7.97%</u></u>
	Fair value HK\$	% of net assets
As at 31 December 2024		
CSOP HANG SENG TECH INDEX ETF	3,999,355	1.78%
HANG SENG CHINA ENTERPRISES INDEX ETF	4,323,096	1.94%
ISHARES MSCI CHINA ETF	2,838,757	1.27%
KRANESHARES CSI CHINA INTERNET FUND	2,203,393	0.99%
TRACKER FUND OF HONG KONG	19,652,200	8.80%
	<u>33,016,801</u>	<u>14.78%</u>
	<u><u>33,016,801</u></u>	<u><u>14.78%</u></u>

As at 31 December 2025 and 2024 there were no capital commitment obligations and no amounts due to structured entities for unsettled purchases.

During the years ended 31 December 2025 and 2024, total unrealised loss of HK\$285,447 (2024: unrealised gain of HK\$1,837,655) and realised gain of HK\$7,431,109 (2024: realised gain of HK\$771,531) were incurred on investments in Investee Funds.

8. Margin deposits and deposit with broker

Margin accounts represent margin deposits held in respect of open exchange-traded derivative contracts. As at 31 December 2025, the Sub-Fund held margin deposits of HK\$10,239,346 (2024: HK\$7,060,255) in Morgan Stanley & Co. International PLC of which HK\$684,684 (2024: HK\$1,068,921) is restricted.

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

Annual Report and Financial Statements
For the year ended 31 December 2025

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 liabilities. All issued redeemable units are fully paid. As at 31 December 2025 and 2024, the Sub-Fund has launched Class A HKD (Distribution), Class A HKD (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 2025 and 2024.

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 (Accumulation) Units</u>	<u>Class A HKD (Distribution) Units</u>	<u>Class A RMB (Accumulation) Units</u>
2025			
At the end of the year	2,357,148.5179	637,296.9527	153,317.4277
2024			
At the end of the year	2,537,956.9951	366,304.6100	130,418.4124

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

In addition, each class of units is subjected to HK\$100 minimum initial and subsequent subscription amounts and holding amounts, and minimum redemption and switching amounts.

	As at 31 December 2025 HK\$	As at 31 December 2024 HK\$
Net assets attributable to unitholders per unit (per statement of financial position)		
- Class A HKD (Accumulation) Units	104.6538	77.3346
- Class A HKD (Distribution) Units	67.1534	51.6575
	<u> </u>	<u> </u>
	RMB	RMB
- Class A RMB (Accumulation) Units	76.3239	59.4327
	<u> </u>	<u> </u>

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

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

	As at 31 December 2025 HK\$	As at 31 December 2024 HK\$
Net assets attributable to unitholders as reported in the statement of financial position	302,534,572	223,403,582
Add: Adjustments for other differences		
- net redemption (Note a)	-	4,176
- distribution to unitholders (Note a)	432,279	191,138
Dealing net asset value	<u>302,966,851</u>	<u>223,598,896</u>
Dealing net assets attributable to unitholders per unit		
- Class A HKD (Accumulation) Units	HK\$104.6538	HK\$77.3362
- Class A HKD (Distribution) Units	HK\$67.8317	HK\$52.1793
- Class A RMB (Accumulation) Units	<u>RMB76.3239</u>	<u>RMB59.4327</u>

Note a: The adjustments represent the net redemption and distribution to unitholders which were not reflected in the dealing net asset value due to the timing difference as at 31 December 2025 and 31 December 2024.

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

10. Taxation

(a) Hong Kong

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

(b) China

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

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

(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 2025, the Sub-Fund placed bank deposits and investments amounted to HK\$32,300,716 (2024: HK\$18,510,873) and HK\$257,845,520 (2024: HK\$204,482,407) respectively with Bank of China (Hong Kong) Limited, a connected person of the Trustee. For the year ended 31 December 2025, bank interest income amounted to HK\$12,828 (2024: HK\$28,033) 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 2025 and 2024, the trustee rate is up to 0.15% per annum. During the year ended 31 December 2025, trustee fee amounting to HK\$480,000 (2024: HK\$480,000) was paid to the Trustee of the Sub-Fund. As at 31 December 2025, trustee fee payable amounted to HK\$42,667 (2024: HK\$41,333).
- (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 2025, management fee amounting to HK\$4,025,417 (2024: HK\$2,817,902) was charged by the Manager of the Sub-Fund. As at 31 December 2025, management fee payable amounted to HK\$412,427 (2024: HK\$299,993).

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

Annual Report and Financial Statements
For the year ended 31 December 2025

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 2025 and 2024, there was no performance fee charged by the Manager of the Sub-Fund. As at 31 December 2025 and 2024, there was no performance fee payable.

- (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 2025 and 31 December 2024.

	2025 HK\$	2024 HK\$
Transaction handling fees	83,510	92,020
Foreign Account Tax Compliance Act ("FATCA") service fees	10,000	10,000
Distribution handling fee	750	600

- (f) During the year ended 31 December 2025, custodian fee, bank charges and transaction fees amounted to HK\$73,240 (2024: HK\$59,493), HK\$9,763 (2024: HK\$10,043) and HK\$145,366 (2024: HK\$145,862) respectively were charged by the custodian.
- (g) During the year, the Sub-Fund invested in the listed securities of Bank of China (Hong Kong) Limited, the connected person of the Trustee. As at 31 December 2025, the Sub-Fund held 204,000 units of BOC Hong Kong (Holdings) Ltd with fair value of HK\$8,041,680 and received dividend income from BOC Hong Kong (Holdings) Ltd and Bank of China Ltd. H shares amounted to HK\$113,390 and HK\$247,043 respectively during the year ended 31 December 2025.

During the year ended 31 December 2024, the Sub-Fund invested in the listed securities of Bank of China (Hong Kong) Limited, the connected person of the Trustee. As at 31 December 2024, the Sub-Fund held 945,000 units of Bank of China Ltd. H shares with fair value of HK\$3,751,650 and received dividend income amounted to HK\$319,692 during the year ended 31 December 2024.

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

Annual Report and Financial Statements
For the year ended 31 December 2025

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 2025 and 2024, the holdings in the Sub-Fund by the Manager and its connected persons were as follows:

	Number of Class A HKD (Accumulation) 2025 Units	Number of Class A HKD (Accumulation) 2024 Units
Manager		
As at 1 January	1,000.0000	1,000.0000
As at 31 December	<u>1,000.0000</u>	<u>1,000.0000</u>
	Number of Class A HKD (Accumulation) 2025 Units	Number of Class A HKD (Accumulation) 2024 Units
Connected persons of the Manager		
As at 1 January*	1,042,656.4825	65,827.1044
Units subscribed during the year	-	976,829.3781
As at 31 December	<u>1,042,656.4825</u>	<u>1,042,656.4825</u>
	Number of Class A HKD (Distribution) 2025 Units	Number of Class A HKD (Distribution) 2024 Units
Connected persons of the Manager		
As at 1 January**	166,035.6596	166,035.6596
Units subscribed during the year	274,548.7790	-
As at 31 December	<u>440,584.4386</u>	<u>166,035.6596</u>

* There are two parties that held 65,827.1044 Class A HKD (Accumulation) units during the year ended 31 December 2025 and 31 December 2024, which had become the connected persons of the Manager since 5 December 2024.

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

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

(h) Holdings in the Sub-Fund (Continued)

** There are two parties that held 166,035.6596 Class A HKD (Distribution) units during the year ended 31 December 2025 and 31 December 2024, which had become the connected persons of the Manager since 5 December 2024.

12. Distributions

	For the year ended 31 December 2025 HK\$	For the year ended 31 December 2024 HK\$
Undistributed income at the beginning for the year	-	-
Profit after tax and before distribution	<u>75,171,687</u>	<u>37,643,620</u>
Distributions to unitholders	<u>(1,143,052)</u>	<u>(746,756)</u>
Undistributed income carried forward at the ending of the year	<u>-</u>	<u>-</u>

As at 31 December 2025, distributions payable to unitholders amounted to HK\$432,279 (2024: HK\$191,138).

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

	2025		2024
Declaration date	HK\$ per unit	Declaration date	HK\$ per unit
1 April 2025	0.6041	2 April 2024	0.4321
2 July 2025	0.6150	2 July 2024	0.4713
2 October 2025	0.7313	2 October 2024	0.5553
2 January 2026	0.6783	2 January 2025	0.5218

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 (2024: 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 (2024: Nil).

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

Annual Report and Financial Statements
For the year ended 31 December 2025

Notes to the Financial Statements

14. Events after the reporting period

No events or transactions have occurred after the end of the reporting period that affects the financial statements of the Sub-Fund for the year ended 31 December 2025.

15. Approval of the financial statements

The financial statements were approved and authorised for issue by Trustee and the Manager on 28 April 2026.

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

Annual Report and Financial Statements
Investment Portfolio (Unaudited)
As at 31 December 2025

	Holdings	Market value HK\$	Net asset value %
<u>Listed equity securities - China</u>			
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	30,200	12,372,292	4.09%
NAURA TECHNOLOGY GROUP CO LTD-A	20,300	10,395,706	3.44%
SHENZHEN LONGSYS ELECTRONICS CO LTD-A	16,100	4,397,216	1.45%
ZHONGJI INNOLIGHT CO LTD-A	14,200	9,662,461	3.19%
		<u>36,827,675</u>	<u>12.17%</u>
<u>Listed equity securities - Hong Kong</u>			
AIA GROUP LTD	76,200	6,088,380	2.01%
ALIBABA GROUP HLDG LTD	167,600	23,933,280	7.91%
BAIDU INC-CLASS A	39,100	5,141,650	1.70%
BOC HONG KONG (HLDGS) LTD	204,000	8,041,680	2.66%
CHINA CONSTRUCTION BANK CORP-H	921,000	7,082,490	2.34%
CHINA HONGQIAO GROUP LTD	228,500	7,453,670	2.46%
CHINA LIFE INSURANCE CO LTD-H	339,000	9,281,820	3.07%
CHINA MOBILE LTD	134,000	10,947,800	3.62%
CK HUTCHISON HLDGS LTD	56,000	2,965,200	0.98%
CMOC GROUP LTD-H	192,000	3,694,080	1.22%
CSPC PHARMACEUTICAL GROUP LTD	622,000	5,243,460	1.73%
HONG KONG EXCHANGES & CLEARING LTD	11,000	4,483,600	1.48%
HSBC HLDGS PLC	66,400	8,127,360	2.69%
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	715,000	4,497,350	1.49%
KUAISHOU TECHNOLOGY	43,200	2,762,640	0.91%
MINTH GROUP LTD	202,000	6,407,440	2.12%
NETEASE INC	19,200	4,120,320	1.36%
PETROCHINA CO LTD-H	766,000	6,419,080	2.12%
PING AN INSURANCE GROUP CO OF CHINA LTD-H	188,500	12,280,775	4.06%
POP MART INTL GROUP LTD	16,200	3,040,740	1.01%
SEMICONDUCTOR MANUFACTURING INTL CORP	84,000	6,001,800	1.98%
SUN HUNG KAI PROPERTIES LTD	46,500	4,403,550	1.46%
TENCENT HLDGS LTD	39,800	23,840,200	7.87%
TRIP.COM GROUP LTD	8,800	4,875,200	1.61%
WUXI BIOLOGICS (CAYMAN) INC	135,500	4,260,120	1.41%
XIAOMI CORP-CLASS B SHARE	116,800	4,590,240	1.52%
ZIJIN MINING GROUP CO LTD-H	194,000	6,918,040	2.29%
		<u>196,901,965</u>	<u>65.08%</u>

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

Annual Report and Financial Statements
Investment Portfolio (Unaudited) (continued)
As at 31 December 2025

	Holdings	Market value HK\$	Net asset value %
<u>Exchange-traded fund – Hong Kong</u>			
TRACKER FUND OF HONG KONG	934,000	24,115,880	7.97%
		24,115,880	7.97%
		24,115,880	7.97%
	Contract size	Fair value HK\$	Net asset value %
<u>Listed index futures – Hong Kong</u>			
MINI HANG SENG INDEX FUTURE JAN2026	30	(47,720)	(0.02%)
		(47,720)	(0.02%)
		(47,720)	(0.02%)
Total financial assets and liabilities at fair value through profit or loss		257,797,800	85.21%
Other net assets		44,736,772	14.79%
Total net assets		302,534,572	100.00%
		302,534,572	100.00%
Total financial assets at fair value through profit or loss at cost		219,784,409	
		219,784,409	
		219,784,409	

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 2025

	At 31 December 2024	<u>Movement in holdings</u>		At 31 December 2025
		Additions	Disposals	
Listed equity securities - China				
ANHUI YINGJIA DISTILLERY CO LTD-A	-	41,700.00	(41,700.00)	-
AVARY HLDG SHENZHEN CO LTD-A	-	47,800.00	(47,800.00)	-
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	8,000.00	30,200.00	(8,000.00)	30,200.00
EAST MONEY INFORMATION CO LTD-A	-	65,700.00	(65,700.00)	-
FUJIAN WANCHEN BIOTECHNOLOGY CO LTD-A	-	15,100.00	(15,100.00)	-
GF CNI NEV BATTERY ETF	-	3,546,500.00	(3,546,500.00)	-
GF CSI CONSTRUCTION AND ENGINEERING ETF	-	2,049,300.00	(2,049,300.00)	-
GIGADEVICE SEMICONDUCTOR BEIJING INC-A	-	31,300.00	(31,300.00)	-
GUANGZHOU TINCI MATERIALS TECHNOLOGY CO LTD-A	-	122,900.00	(122,900.00)	-
HT-PB CSI PTVT IDT ETF	-	4,675,500.00	(4,675,500.00)	-
IEIT SYSTEMS CO LTD-A	-	91,600.00	(91,600.00)	-
LUXSHARE PRECISION INDUSTRY CO LTD-A	-	64,200.00	(64,200.00)	-
LUZHOU LAOJIAO CO LTD-A	-	31,000.00	(31,000.00)	-
MONTAGE TECHNOLOGY CO LTD-A	-	42,229.00	(42,229.00)	-
NAURA TECHNOLOGY GROUP CO LTD-A	-	35,300.00	(15,000.00)	20,300.00
SANY HEAVY INDUSTRY CO LTD-A	-	122,600.00	(122,600.00)	-
SHENZHEN LONGSYS ELECTRONICS CO LTD-A	-	56,400.00	(40,300.00)	16,100.00
WUS PRINTED CIRCUIT (KUNSHAN) CO LTD-A	-	92,800.00	(92,800.00)	-
WUXI LEAD INTELLIGENT EQUIPMENT CO LTD-A	-	50,200.00	(50,200.00)	-
ZHEJIANG SANHUA INTELLIGENT CONTROLS CO LTD-A	-	91,500.00	(91,500.00)	-
ZHEJIANG SHUANGHUAN DRIVELINE CO LTD-A	-	132,900.00	(132,900.00)	-
ZHONGJI INNOLIGHT CO LTD-A	-	24,000.00	(9,800.00)	14,200.00
Listed equity securities - Hong Kong				
AAC TECHNOLOGIES HLDGS INC	-	95,000.00	(95,000.00)	-
AIA GROUP LTD	98,600.00	37,200.00	(59,600.00)	76,200.00
AIR CHINA LTD-H	-	446,000.00	(446,000.00)	-
ALIBABA GROUP HLDG LTD	205,400.00	79,000.00	(116,800.00)	167,600.00
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	-	506,000.00	(506,000.00)	-
ANGANG STEEL CO LTD-H	-	1,144,000.00	(1,144,000.00)	-
ANHUI CONCH CEMENT CO LTD-H	-	280,000.00	(280,000.00)	-
ANTA SPORTS PRODUCTS LTD	25,800.00	28,600.00	(54,400.00)	-
BAIDU INC-CLASS A	-	119,750.00	(80,650.00)	39,100.00
BANK OF CHINA LTD-H	945,000.00	-	(945,000.00)	-
BEIJING FOURTH PARADIGM TECHNOLOGY CO LTD	-	72,700.00	(72,700.00)	-

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

Annual Report and Financial Statements
Statement of Movements in Investment (Unaudited) (continued)
As at 31 December 2025

	At 31	<u>Movement in holdings</u>		At 31
	December 2024	Additions	Disposals	December 2025
Listed equity securities - Hong Kong – (continued)				
BLOKS GROUP LTD	-	52,500.00	(52,500.00)	-
BOC HONG KONG (HLDGS) LTD	-	204,000.00	-	204,000.00
BYD CO LTD-H	17,000.00	85,500.00	(102,500.00)	-
BYD ELECTRONIC (INTL) CO LTD	-	275,500.00	(275,500.00)	-
CHINA COMMUNICATIONS CONSTRUCTION CO LTD-H	439,000.00	-	(439,000.00)	-
CHINA CONSTRUCTION BANK CORP-H	2,285,000.00	958,000.00	(2,322,000.00)	921,000.00
CHINA HONGQIAO GROUP LTD	-	228,500.00	-	228,500.00
CHINA INTL CAPITAL CORP LTD-H	-	969,200.00	(969,200.00)	-
CHINA LIFE INSURANCE CO LTD- H	-	931,000.00	(592,000.00)	339,000.00
CHINA MENGNIU DAIRY CO LTD	-	123,000.00	(123,000.00)	-
CHINA MERCHANTS BANK CO LTD-H	-	55,000.00	(55,000.00)	-
CHINA MOBILE LTD	121,000.00	147,500.00	(134,500.00)	134,000.00
CHINA PETROLEUM & CHEMICAL CORP-H	-	618,000.00	(618,000.00)	-
CHINA RAILWAY GROUP LTD-H	-	658,000.00	(658,000.00)	-
CHINA RESOURCES BEER (HLDGS) CO LTD	-	52,000.00	(52,000.00)	-
CHINA RESOURCES BEVERAGE HOLDINGS CO LTD	-	98,600.00	(98,600.00)	-
CHINA RESOURCES LAND LTD	-	178,000.00	(178,000.00)	-
CHINA RESOURCES MIXC LIFESTYLE SERVICES LTD	-	64,200.00	(64,200.00)	-
CHINA RESOURCES POWER HLDGS CO	62,000.00	-	(62,000.00)	-
CHINA SHENHUA ENERGY CO LTD-H	-	36,000.00	(36,000.00)	-
CHINA UNICOM (HONG KONG) LTD	-	566,000.00	(566,000.00)	-
CHOW TAI FOOK JEWELLERY GROUP LTD	-	561,000.00	(561,000.00)	-
CITIC SECURITIES CO LTD-H	-	47,500.00	(47,500.00)	-
CK HUTCHISON HLDGS LTD	-	56,000.00	-	56,000.00
CK INFRASTRUCTURE HLDGS LTD	22,000.00	-	(22,000.00)	-
CMOC GROUP LTD-H	-	690,000.00	(498,000.00)	192,000.00
CNOOC LTD	303,000.00	71,000.00	(374,000.00)	-
COSCO SHIPPING HLDGS CO LTD-H	-	187,000.00	(187,000.00)	-
CSOP HANG SENG TECH INDEX ETF	910,600.00	-	(910,600.00)	-
CSPC PHARMACEUTICAL GROUP LTD	-	1,272,000.00	(650,000.00)	622,000.00

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

Annual Report and Financial Statements
Statement of Movements in Investment (Unaudited) (continued)
As at 31 December 2025

	At 31 December 2024	<u>Movement in holdings</u>		At 31 December 2025
		Additions	Disposals	
Listed equity securities - Hong Kong - (continued)				
GALAXY ENTERTAINMENT GROUP LTD	-	217,000.00	(217,000.00)	-
GDS HLDGS LTD	-	204,900.00	(204,900.00)	-
GEELY AUTOMOBILE HLDGS LTD	179,000.00	636,000.00	(815,000.00)	-
GIANT BIOGENE HOLDING CO LTD	-	100,200.00	(100,200.00)	-
GUMING HOLDINGS LTD	-	46,400.00	(46,400.00)	-
HAIDILAO INTL HLDG LTD	-	560,000.00	(560,000.00)	-
HANG LUNG PROPERTIES LTD	-	398,000.00	(398,000.00)	-
HANG SENG CHINA ENTERPRISES INDEX ETF	58,200.00	-	(58,200.00)	-
HANSOH PHARMACEUTICAL GROUP CO LTD	-	110,000.00	(110,000.00)	-
HONG KONG EXCHANGES & CLEARING LTD	11,700.00	48,600.00	(49,300.00)	11,000.00
HORIZON ROBOTICS INC	-	720,000.00	(720,000.00)	-
HSBC HLDGS PLC	169,600.00	31,600.00	(134,800.00)	66,400.00
HUA HONG SEMICONDUCTOR LTD	-	51,000.00	(51,000.00)	-
INDUSTRIAL & COMMERCIAL BK OF CHINA- H	1,258,000.00	485,000.00	(1,028,000.00)	715,000.00
INNOVENT BIOLOGICS INC (B)	-	59,000.00	(59,000.00)	-
J&T GLOBAL EXPRESS LTD	-	256,600.00	(256,600.00)	-
JD.COM INC	34,450.00	27,400.00	(61,850.00)	-
JIANGXI COPPER CO LTD-H	-	132,000.00	(132,000.00)	-
JOINN LABORATORIES CHIN CO LTD-H	-	257,000.00	(257,000.00)	-
KE HLDGS INC	-	48,400.00	(48,400.00)	-
KUAISHOU TECHNOLOGY	-	319,500.00	(276,300.00)	43,200.00
LAOPU GOLD CO LTD	-	10,600.00	(10,600.00)	-
LENOVO GROUP LTD	-	128,000.00	(128,000.00)	-
LI AUTO INC-CL A	-	60,000.00	(60,000.00)	-
LINK REAL ESTATE INVESTMENT TRUST	-	216,300.00	(216,300.00)	-
MAO GEPING COSMETICS CO LTD- H SHARE	-	32,600.00	(32,600.00)	-
MEITU INC	-	965,500.00	(965,500.00)	-
MEITUAN-CLASS B	103,300.00	76,500.00	(179,800.00)	-
MIDEA GROUP CO LTD-H	-	44,000.00	(44,000.00)	-
MINISO GROUP HOLDING LIMITED	-	75,400.00	(75,400.00)	-
MINTH GROUP LTD	-	298,000.00	(96,000.00)	202,000.00
MIXUE GROUP	-	2,800.00	(2,800.00)	-
MONGOLIAN MINING CORP	-	327,000.00	(327,000.00)	-
NETEASE INC	8,200.00	47,800.00	(36,800.00)	19,200.00
PEOPLE'S INSURANCE CO (GROUP) OF CHINA LTD-H	-	694,000.00	(694,000.00)	-
PETROCHINA CO LTD-H	182,000.00	1,058,000.00	(474,000.00)	766,000.00
PHARMARON BEIJING CO LTD-H	-	226,700.00	(226,700.00)	-

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

Annual Report and Financial Statements
Statement of Movements in Investment (Unaudited) (continued)
As at 31 December 2025

	At 31	Movement in holdings		At 31
	December 2024	Additions	Disposals	December 2025
Listed equity securities - Hong Kong - (continued)				
PING AN INSURANCE GROUP CO OF CHINA LTD-H	100,000.00	293,500.00	(205,000.00)	188,500.00
POP MART INTL GROUP LTD	42,200.00	81,000.00	(107,000.00)	16,200.00
ROBOSENSE TECHNOLOGY CO LTD	-	187,000.00	(187,000.00)	-
SEMICONDUCTOR MANUFACTURING INTL CORP	88,500.00	245,500.00	(250,000.00)	84,000.00
SENSETIME GROUP INC-CL B	-	4,178,000.00	(4,178,000.00)	-
SINOPHARM GROUP CO LTD-H	-	311,000.00	(311,000.00)	-
SITC INTL HLDGS CO LTD	-	117,000.00	(117,000.00)	-
STANDARD CHARTERED PLC	-	18,000.00	(18,000.00)	-
SUN HUNG KAI PROPERTIES LTD	-	46,500.00	-	46,500.00
SUNEVISION HLDGS LTD	-	402,000.00	(402,000.00)	-
TCL ELECTRONICS HLDGS LTD	-	255,000.00	(255,000.00)	-
TECHTRONIC INDUSTRIES CO LTD	30,500.00	29,500.00	(60,000.00)	-
TENCENT HLDGS LTD	44,500.00	15,900.00	(20,600.00)	39,800.00
TENCENT MUSIC ENTERTAINMENT GROUP - CLASS A	-	58,100.00	(58,100.00)	-
TINGYI (CAYMAN ISLANDS) HLDG CORP	-	180,000.00	(180,000.00)	-
TONGCHENG TRAVEL HLDGS LTD	-	297,200.00	(297,200.00)	-
TRACKER FUND OF HONG KONG	970,000.00	1,167,500.00	(1,203,500.00)	934,000.00
TRIP.COM GROUP LTD	5,550.00	13,550.00	(10,300.00)	8,800.00
UBTECH ROBOTICS CORP LTD-H	-	48,050.00	(48,050.00)	-
WEILONG DELICIOUS GLOBAL HOLDINGS LTD	-	166,800.00	(166,800.00)	-
WUXI APPTEC CO LTD-H	-	88,700.00	(88,700.00)	-
WUXI BIOLOGICS (CAYMAN) INC	-	239,000.00	(103,500.00)	135,500.00
WYNN MACAU LTD	-	402,000.00	(402,000.00)	-
XIAOMI CORP-CLASS B SHARE	347,000.00	208,600.00	(438,800.00)	116,800.00
XPENG INC	47,300.00	64,500.00	(111,800.00)	-
YEAHKA LTD	-	175,600.00	(175,600.00)	-
YUE YUEN INDUSTRIAL HLDG	64,000.00	-	(64,000.00)	-
ZHEJIANG LEAPMOTOR TECHNOLOGIES LTD	-	72,600.00	(72,600.00)	-
ZHEJIANG SANHUA INTELLIGENT CONTROLS CO LTD	-	92,100.00	(92,100.00)	-
ZHONGSHENG GROUP HLDGS LTD	174,500.00	-	(174,500.00)	-
ZIJIN GOLD INTERNATIONAL CO LTD	-	325.00	(325.00)	-
ZIJIN MINING GROUP CO LTD-H	-	758,000.00	(564,000.00)	194,000.00

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

Annual Report and Financial Statements
Statement of Movements in Investment (Unaudited) (continued)
As at 31 December 2025

	At 31 December 2024	Movement in holdings		At 31 December 2025
		Additions	Disposals	
Listed equity securities - Japan				
ADVANTEST CORP	-	14,900.00	(14,900.00)	-
DISCO CORP	-	1,100.00	(1,100.00)	-
NINTENDO CO LTD	-	3,600.00	(3,600.00)	-
Listed equity securities - United States				
CLOUDFLARE INC-CL A	-	2,300.00	(2,300.00)	-
FUTU HLDGS LTD-SPONSORED ADR	-	6,800.00	(6,800.00)	-
HESAI GROUP	-	10,900.00	(10,900.00)	-
ISHARES CHINA LARGE-CAP ETF	-	9,000.00	(9,000.00)	-
ISHARES MSCI CHINA ETF	7,798.00	-	(7,798.00)	-
KRANESHARES CSI CHINA INTERNET FUND	9,700.00	9,100.00	(18,800.00)	-
SNOWFLAKE INC-CL A	-	2,800.00	(2,800.00)	-
TAIWAN SEMICONDUCTOR MANUFACTURING CO-ADR	-	800.00	(800.00)	-
VNET GROUP INC-ADR	-	12,600.00	(12,600.00)	-
Listed index futures - Hong Kong				
HANG SENG TECH INDEX FUTURE FEB2025	-	50.00	(50.00)	-
HANG SENG TECH INDEX FUTURE JUL2025	-	75.00	(75.00)	-
HANG SENG TECH INDEX FUTURE JUN2025	-	10.00	(10.00)	-
HANG SENG TECH INDEX FUTURE MAR2025	-	45.00	(45.00)	-
HANG SENG TECH INDEX FUTURE MAY2025	-	45.00	(45.00)	-
HANG SENG TECH INDEX FUTURE NOV2025	-	75.00	(75.00)	-
HANG SENG TECH INDEX FUTURE OCT2025	-	50.00	(50.00)	-
MINI HANG SENG INDEX FUTURE APR2025	-	55.00	(55.00)	-
MINI HANG SENG INDEX FUTURE AUG2025	-	100.00	(100.00)	-
MINI HANG SENG INDEX FUTURE DEC2025	-	30.00	(30.00)	-
MINI HANG SENG INDEX FUTURE FEB2025	-	35.00	(35.00)	-
MINI HANG SENG INDEX FUTURE JAN2025	47.00	-	(47.00)	-
MINI HANG SENG INDEX FUTURE JAN2026	-	30.00	-	30.00
MINI HANG SENG INDEX FUTURE JUL2025	-	50.00	(50.00)	-
MINI HANG SENG INDEX FUTURE JUN2025	-	108.00	(108.00)	-
MINI HANG SENG INDEX FUTURE MAR2025	-	65.00	(65.00)	-

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

Annual Report and Financial Statements
Statement of Movements in Investment (Unaudited) (continued)
As at 31 December 2025

	At 31 December 2024	<u>Movement in holdings</u>		At 31 December 2025
		Additions	Disposals	
Listed index futures - Hong Kong - (continued)				
MINI HANG SENG INDEX FUTURE MAY2025	-	83.00	(83.00)	-
MINI HANG SENG INDEX FUTURE NOV2025	-	30.00	(30.00)	-
MINI HANG SENG INDEX FUTURE OCT2025	-	45.00	(45.00)	-
MINI HANG SENG INDEX FUTURE SEP2025	-	100.00	(100.00)	-
Listed futures – Singapore				
SGX FTSE CHINA A50 INDEX FUTURE AUG2025	-	100.00	(100.00)	-
Listed futures – United States				
GOLD 100 OZ FUTURE AUG2025	-	3.00	(3.00)	-
GOLD 100 OZ FUTURE DEC2025	-	3.00	(3.00)	-
GOLD 100 OZ FUTURE OCT2025	-	3.00	(3.00)	-

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 2025

The Sub-Fund held the following derivative instruments with the counterparty as Morgan Stanley & Co. International plc. as at 31 December 2025. Refer to note 6 for details.

Listed index futures - Hong Kong

MINI HANG SENG INDEX FUTURE JAN2026

Underlying assets

HANG SENG 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 2025

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 2025.

	2025 % of NAV
Lowest gross exposure	2.49%
Highest gross exposure	16.46%
Average gross exposure	8.45%

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 2025.

	2025 % of NAV
Lowest net exposure	1.78%
Highest net exposure	13.58%
Average net exposure	6.81%

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 2024.

	2024 % of NAV
Lowest gross exposure	4.08%
Highest gross exposure	31.77%
Average gross exposure	14.45%

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 2024.

	2024 % of NAV
Lowest net exposure	2.84%
Highest net exposure	31.23%
Average net exposure	14.07%

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

Annual Report and Financial Statements
Performance Table (Unaudited)
As at 31 December 2025

Net Asset Value

	Dealing net asset value	Dealing net asset value per Units	
At 31 December 2025			
Class A HKD (Accumulation) Units	HK\$246,684,550	HK\$104.6538	
Class A HKD (Distribution) Units	HK\$43,228,936	HK\$67.8317	
Class A RMB (Accumulation) Unit	RMB11,701,784	RMB76.3239	
At 31 December 2024			
Class A HKD (Accumulation) Units	HK\$196,275,950	HK\$77.3362	
Class A HKD (Distribution) Units	HK\$19,113,518	HK\$52.1793	
Class A RMB (Accumulation) Unit	RMB7,751,118	RMB59.4327	
At 29 December 2023 (Note1)			
Class A HKD (Accumulation) Units	HK\$119,201,513	HK\$64.1589	(Note2)
Class A HKD (Distribution) Units	HK\$17,738,247	HK\$45.0255	(Note2)
Class A RMB (Accumulation) Unit	RMB6,839,376	RMB47.6365	(Note2)

Note1: This was the last dealing day for the year ended 31 December 2023.

Note2: This was the last published dealing net asset value per unit for the year ended 31 December 2023.

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

Annual Report and Financial Statements
Performance Table (Unaudited) (continued)
As at 31 December 2025

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 2025		
Class A HKD (Accumulation) Units	HK\$113.7812	HK\$73.1493
Class A HKD (Distribution) Units	HK\$73.7476	HK\$48.8512
Class A RMB (Accumulation) Unit	RMB84.8439	RMB56.1621
For the year ended 31 December 2024		
Class A HKD (Accumulation) Units	HK\$90.1179	HK\$56.1071
Class A HKD (Distribution) Units	HK\$60.8033	HK\$38.9742
Class A RMB (Accumulation) Unit	RMB66.7643	RMB42.0071
For the year ended 31 December 2023		
Class A HKD (Accumulation) Units	HK\$89.9017	HK\$61.3822
Class A HKD (Distribution) Units	HK\$65.0218	HK\$43.0676
Class A RMB (Accumulation) Unit	RMB63.1207	RMB45.7251
For the year ended 31 December 2022		
Class A HKD (Accumulation) Units	HK\$133.7575	HK\$77.5632
Class A HKD (Distribution) Units	HK\$100.7003	HK\$56.6565
Class A RMB (Accumulation) Unit	RMB88.9719	RMB57.0951
For the year ended 31 December 2021		
Class A HKD (Accumulation) Units	HK\$194.4678	HK\$128.6857
Class A HKD (Distribution) Units	HK\$153.6969	HK\$97.8458
Class A RMB (Accumulation) Unit	RMB132.2743	RMB85.6686
For the year ended 31 December 2020		
Class A HKD (Accumulation) Units	HK\$166.1071	HK\$92.1382
Class A HKD (Distribution) Units	HK\$132.7997	HK\$100.0000
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	HK\$116.9666	HK\$99.7196