



BOCOM International China
Dynamic Fund
(A Sub-Fund of BOCOM International Fund)

Reports and financial statements
for the year ended 31 December 2025

Contents	Pages
Management and administration	2
Report of the Manager to the Unitholders	3
Report of the Trustee to the Unitholders	4
Independent Auditor's Report	5 – 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Net Assets Attributable to Unitholders	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 – 32
Investment Portfolio (Unaudited)	33
Statement of Movements in Investment Portfolio (Unaudited)	34 – 37
Performance Table (Unaudited)	38 – 39

Management and administration

Manager

BOCOM International Asset
Management Limited
9/F, Man Yee Building
68 Des Voeux Road Central
Hong Kong

Trustee and Registrar

Bank of Communications Trustee Limited
1/F, Far East Consortium Building
121 Des Voeux Road Central
Central
Hong Kong

Solicitors to the Manager

Deacons
5/F, Alexandra House
18 Chater Road
Central
Hong Kong

Auditor

KPMG
8/F, Prince's Building
10 Chater Road
Central
Hong Kong

Directors of the Manager

SHENG Jie
DONG Yanran (Appointed on 10 January 2025)
ZHAO Honghao (Appointed on 5 March 2025)
LI Wu (Resigned on 5 March 2025)

PRC Custodian

HSBC Bank (China) Company Limited
33/F, HSBC Building, Shanghai IFC
8 Century Avenue, Pudong
Shanghai

BOCOM INTERNATIONAL CHINA DYNAMIC FUND

(A Sub-fund of BOCOM International Fund)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

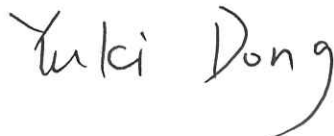
The CSI 300 Index gained 20.98% of total return in the year 2025, due to the powerful policy support, easy liquidity and technological progress. Among CSI 300 Wind sub-sector indices, Non-ferrous Metals stood out with a robust positive return of 92.2%, followed by the Hardware & Equipment sector with 62.39%.

Looking ahead to 2026, despite geopolitics and macroeconomic uncertainties, China's economy is expected to maintain steady growth in the first year of the 15th Five-Year Plan. We remain optimistic about the performance of the A-share market in 2026, especially in AI, future technology (commercial space, quantum computing, embodied intelligence, controlled nuclear fusion, etc.), new energy, domestic consumption and high dividend.

Portfolio Review

For the year ended 31 December 2025, the fund's Class R and Class I's total return was 19.0% and 19.0% respectively. In 2026, portfolio holdings will mainly focus on technology, new energy, cyclical sectors, domestic demand and high-dividend value stocks to gain stable return for our investors.

By order of the board



Director

Hong Kong

29 APR 2026

BOCOM International China Dynamic Fund
(A Sub-fund of BOCOM International Fund)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

**TO THE UNITHOLDERS OF BOCOM INTERNATIONAL CHINA DYNAMIC FUND
(THE "SUB-FUND")**

We hereby confirm that, in our opinion, the Manager of the Sub-Fund has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 27 October 2010 and all its supplemental deeds for the year ended 31 December 2025.

For and on behalf of
Bank of Communications Trustee Limited



29 APR 2026



Independent auditor's report to the unitholders of BOCOM International China Dynamic Fund (A Sub-fund of BOCOM International Fund)

Opinion

We have audited the financial statements of BOCOM International China Dynamic Fund (the "Sub-Fund") set out on pages 8 to 32, which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, the statement of changes in net asset attributable to unitholders and the statement of cash flow for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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 performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") as issued by the HKICPA. 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 are independent of the Sub-Fund in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Manager and the Trustee are responsible for the other information. The other information comprises all 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.

Independent auditor's report to the unitholders of BOCOM International China Dynamic Fund (continued)

(A Sub-fund of BOCOM International Fund)

Responsibilities of the Manager and the Trustee for the financial statements

The Manager and the Trustee are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and for such internal control as the Manager and the Trustee determine 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 Manager and the Trustee are 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 Manager and the Trustee either intend to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Trustee are required to ensure that the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed ("the Trust Deed") dated 27 October 2010 and the relevant disclosure provisions of Appendix E of the Hong Kong Code on Unit Trusts and Mutual Funds ("the SFC code") issued by the Securities and Futures Commission.

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. This report is made 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 HKSA's 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 provisions of the Trust Deed and the relevant disclosures of Appendix E of the SFC code.

As part of an audit in accordance with HKSA's, 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.



Independent auditor's report to the unitholders of BOCOM International China Dynamic Fund (continued)

(A Sub-fund of BOCOM International Fund)

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 Manager and the Trustee.
- Conclude on the appropriateness of the Manager's and the Trustee'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 Manager and the Trustee 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 provisions of the Trust Deed and the relevant disclosure provisions of Appendix E to the SFC Code

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

The engagement partner on the audit resulting in this independent auditor's report is YIU, Tsz Yeung, Arion (practising certificate number: P06098).

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 APR 2026

Statement of financial position as at 31 December 2025

(Expressed in Renminbi)

	Note	2025 RMB	2024 RMB
Assets			
Deposit reserve	3(b),7(a)	13,673	14,911
Financial assets at fair value through profit or loss	3(a)	39,094,902	30,436,950
Amounts due from brokers		-	744,778
Interest receivable		28,002	11,957
Cash and cash equivalents	3(b)	2,954,655	3,755,899
Total assets		<u>42,091,232</u>	<u>34,964,495</u>
Liabilities			
Amount due to brokers		1,470,924	-
Management fee payable	7(b)	17,886	16,064
Trustee fee payable	7(c)	19,529	18,885
Sub-custodian fee payable	7(d)	3,577	3,213
Accrued expenses and other payables		153,054	109,016
Total liabilities (excluding net assets attributable to unitholders)		<u>1,664,970</u>	<u>147,178</u>
Net assets attributable to unitholders		<u>40,426,262</u>	<u>34,817,317</u>

Approved and authorised for issue by the Trustee and the Manager on **29 APR 2026**



Yu Ki Dong

) For and on behalf of
) Bank of Communications
) Trustee Limited
)

) For and on behalf of
) BOCOM International
) Asset Management Limited
)

The notes on pages 12 to 32 form part of these financial statements.

Statement of comprehensive income for the year ended 31 December 2025 (Expressed in Renminbi)

	Note	2025 RMB	2024 RMB
Income			
Interest income on bank deposits	7(a)	1,760	2,984
Interest income on debt securities		30,514	52,629
Dividend income		491,857	838,608
Net gains on financial assets at fair value through profit or loss	5	7,353,260	7,063,806
Net foreign exchange losses		(16)	(24)
Total gains		<u>7,877,375</u>	<u>7,958,003</u>
Expenses			
Management fee	7(b)	(184,664)	(290,923)
Trustee fee	7(c)	(216,000)	(236,884)
Sub-custodian fee	7(d)	(17,556)	(14,518)
Audit fee		(108,000)	(80,935)
Transaction costs	8	(601,863)	(345,422)
Bank charges		(143)	(1,166)
Other operating expenses		(154,582)	(185,780)
Total operating expenses		<u>(1,282,808)</u>	<u>(1,155,628)</u>
Profits before tax		6,594,567	6,802,375
Withholding taxes	9	(49,326)	(84,152)
Increase in net assets attributable to unitholders from operations		<u>6,545,241</u>	<u>6,718,223</u>

The notes on pages 12 to 32 form part of these financial statements.

Statement of changes in net assets attributable to unitholders for the year ended 31 December 2025 (Expressed in Renminbi)

	Note	2025 RMB	2024 RMB
Net assets attributable to unitholders at beginning of the year		<u>34,817,317</u>	<u>29,725,012</u>
Issue of units during the year		965,222	-
Redemption of units during the year		<u>(1,901,518)</u>	<u>(1,625,918)</u>
Net redemptions by the unitholders during the year		<u>(936,296)</u>	<u>(1,625,918)</u>
Increase in net assets attributable to unitholders from operations		<u>6,545,241</u>	<u>6,718,223</u>
Net assets attributable to unitholders at end of the year	6	<u>40,426,262</u>	<u>34,817,317</u>
		<i>Number of redeemable units</i>	
Class I		<u>2025</u>	<u>2024</u>
Units in issue at beginning of the year		<u>2,000,000.000</u>	<u>2,000,000.000</u>
Units in issue at end of the year		<u>2,000,000.000</u>	<u>2,000,000.000</u>
Class R			
Units in issue at beginning of the year		276,669.616	423,482.764
Issue of units during the year		55,604.119	-
Redemption of units during the year		<u>(112,698.895)</u>	<u>(146,813.148)</u>
Units in issue at end of the year		<u>219,574.840</u>	<u>276,669.616</u>

The notes on pages 12 to 32 form part of these financial statements.

Statement of cash flows for the year ended 31 December 2025 (Expressed in Renminbi)

	2025 RMB	2024 RMB
Cash flows from operating activities		
Increase in net asset attributable to unitholders from operations	6,545,241	6,718,223
Adjustment for:		
Dividend income	(491,857)	(838,608)
Interest income on bank deposits	(1,760)	(2,984)
Interest income on debt securities	(30,514)	(52,629)
Net gains on financial assets at fair value through profit or loss	(7,353,260)	(7,063,806)
Withholding taxes	49,326	84,152
	<u>(1,282,824)</u>	<u>(1,155,652)</u>
Change in:		
Deposit reserve	1,238	2,664
Financial assets at fair value through profit or loss	(1,304,692)	6,153,206
Amount due from brokers	744,778	-
Management fee payable	1,822	(15,797)
Trustee fee payable	644	(12,710)
Sub-custodian fee payable	364	667
Amounts due to brokers	1,470,924	(744,778)
Accrued expenses and other payables	44,038	(98,049)
	<u>(323,708)</u>	<u>4,129,551</u>
Cash (used in)/generated from operating activities		
Bank deposit interest received	1,776	2,982
Debt securities interest received	14,453	59,621
Dividend received	491,857	838,608
Withholding taxes paid	(49,326)	(84,152)
	<u>135,052</u>	<u>4,946,610</u>
Net cash generated from operating activities		
Cash flows from financing activities		
Proceeds from issue of redeemable units	965,222	-
Payments on redemption of units	(1,901,518)	(1,625,918)
	<u>(936,296)</u>	<u>(1,625,918)</u>
Net cash used in financing activities		
Net (decrease)/increase in cash and cash equivalents	(801,244)	3,320,692
Cash and cash equivalents at beginning of the year	3,755,899	435,207
Cash and cash equivalents at end of the year	<u>2,954,655</u>	<u>3,755,899</u>

The notes on pages 12 to 32 form part of these financial statements.

Notes to the financial statements

1 The Sub-Fund

BOCOM International Fund (the “Trust”) is an umbrella unit trust governed by its Trust Deed dated 27 October 2010, as amended (the “Trust Deed”) made between BOCOM International Asset Management Limited as the Manager (the “Manager”) and Bank of Communications Trustee Limited as the Trustee (the “Trustee”). The terms of the Trust Deed are governed by the law of Hong Kong. The Trust is authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) under 104(1) of the Hong Kong Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds issued by SFC.

BOCOM International China Dynamic Fund (the “Sub-Fund”) is one of three sub-funds under the Trust available for investment as at 31 December 2025. The date of inception of the Sub-Fund was 4 July 2014.

The Sub-Fund seeks to achieve its investment objective by investing 70% to 95% of its net asset value in A-Shares of PRC companies listed in the PRC securities markets, currently Shanghai Stock Exchange and Shenzhen Stock Exchange, and/or convertible bonds trading on the interbank bond market and/or the exchange bond market issued or distributed within the PRC. The Sub-Fund may also invest 5% to 30% of its net asset value in Renminbi denominated and settled fixed income securities trading on the interbank bond market and/or the exchange bond market which include bonds issued or distributed within the PRC by governments, quasi-government organisations, financial institutions and other corporations, for example, government bonds and notes, corporate bonds, financial bonds and commercial papers. The Sub-Fund may hold up to 25% of its net asset value in cash in Renminbi.

The Manager is owned by BOCOM International Holdings Company Limited, which itself is a subsidiary of Bank of Communications Co., Ltd. (“BOCOM”, and together with BOCOM International Holdings Company Limited and its affiliates, the “BOCOM Group”).

The financial statements are prepared for the Sub-Fund only. The financial statements are presented in Renminbi (“RMB”), which is same as the functional currency of the Sub-Fund.

2 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), the relevant provisions of the Trust Deed, as amended, and the relevant disclosure provisions of the SFC Code issued by the SFC. Material accounting policies adopted by the Sub-Fund are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Sub-Fund. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Sub-Fund for the current and prior accounting periods reflected in these financial statements.

2 Material accounting policies (continued)

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- Financial assets at fair value through profit or loss (see note 2(d)).

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the Manager and the Trustee to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The Sub-Fund has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Sub-Fund has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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

Recognition and initial measurement

The Sub-Fund initially recognises regular-way transactions in financial assets and financial liabilities at fair value through profit or loss (“FVTPL”) on the trade date, which is the date on which the Sub-Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured at initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

2 Material accounting policies (continued)

Classification and subsequent measurement

Classification of financial assets

On initial recognition, the Sub-Fund classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI")

All other financial assets of the Sub-Fund are measured at FVTPL.

Business model assessment

The Sub-Fund has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents, amounts due from brokers and interest receivable. These financial assets are held to collect contractual cash flow.
- Other business model: this includes financial assets at fair value through profit or loss. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Sub-Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement of financial assets

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses are recognised in profit or loss in "net gains on financial assets at fair value through profit or loss" in the statement of comprehensive income.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

2 Material accounting policies (continued)

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. They are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

The Sub-Fund derecognises regular-way sales of financial assets using trade date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Sub-Fund transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Sub-Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On a derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received is recognised in profit or loss.

Fair value measurement

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Sub-Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Sub-Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as “active” if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Sub-Fund measures instruments quoted in an active market at last traded market price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Sub-Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Sub-Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

2 Material accounting policies (continued)

(e) *Accrued expenses*

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(f) *Income*

Interest income presented in the statement of comprehensive income is calculated on an effective interest basis.

The “effective interest rate” is calculated on initial recognition of a financial instrument as the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend income is recognised when the right to receive payment is established.

(g) *Expenses*

All expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income.

(h) *Redeemable units*

The Sub-Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Sub-Fund has more than one class of redeemable units in issue. This is the most subordinate class of financial instruments in the Sub-Fund and ranks *pari passu* in all material respects and has identical terms and conditions. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor’s share in the Sub-Fund’s net assets at each daily redemption date and also in the event of the Sub-Fund’s liquidation.

A puttable financial instrument that includes a contractual obligation for the issuer to repurchase or redeem that instrument for cash or another financial asset is classified as equity instruments if it meets the following conditions:

- it entitles the holder to a pro rata share of the Sub-Fund’s net assets in the event of the Sub-Fund’s liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Sub-Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and

2 Material accounting policies (continued)

- the total expected cash flows attributable to the instrument over its life are based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

The Sub-Fund classifies redeemable units as liabilities since the Sub-Fund issues more than one class of redeemable units, which are redeemable at the holder's option and do not have identical rights.

(i) **Taxation**

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

The Sub-Fund currently incurs withholding taxes imposed by the PRC on dividend and interest income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

(j) **Foreign currency translation**

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

(k) **Distribution to unitholders**

Distribution to the Sub-Fund's unitholders is recognised in the Sub-Fund's financial statement in the period in which the distributions are approved and declared.

(l) **Transaction costs**

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

2 Material accounting policies (continued)

(m) Impairment

At each reporting date, the Sub-Fund assesses whether credit risk for financial assets held at amortised cost has increased significantly since initial recognition. If there is a significant increase in credit risk since initial recognition, then the Sub-Fund measures the loss allowances on financial assets at an amount equal to the lifetime expected credit losses. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund measures the loss allowances on financial assets at an amount equal to the expected credit losses for the later of 12 months or the period to maturity, if the amount is material. A significant increase in credit risk is defined 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 as credit impaired.

(n) Related parties

- (a) A person, or a close member of that person's family, is related to the Sub-Fund if that person:
- (i) has control or joint control over the Sub-Fund;
 - (ii) has significant influence over the Sub-Fund; or
 - (iii) is a member of the key management personnel of the Sub-Fund or the Sub-Fund's parent.
- (b) An entity is related to the Sub-Fund if any of the following conditions applies:
- (i) The entity and the Sub-Funds are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Fund or to the Sub-Fund's parent.

3 Financial risk management

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

The Sub-Fund uses different methods to measure and manage the various types of risk to which it is exposed. These methods are explained below.

(a) Market risk

i 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.

The following table discloses the equity securities at fair value through profit or loss of the Sub-Fund by product types:

	2025 RMB	2024 RMB
A-share equity securities	36,886,410	28,433,350
	<u>36,886,410</u>	<u>28,433,350</u>

All investments in debt securities of RMB2,208,492 (2024: RMB2,003,600) are fixed-income instruments and the Sub-Fund expects price fluctuations for these investments to arise principally from interest rate or credit risk. As a result, the Sub-Fund is not subject to significant price risk on these investments.

The Sub-Fund's price risk is managed through diversification of the investment portfolio ratios by exposures to different industries.

There is no exposure to individual investments/issuers representing over 10% of the Sub-Fund's net asset value at the reporting date.

At 31 December 2025, the Sub-Fund invests in publicly traded A-Share equity securities and is susceptible to market price risk arising from uncertainties about future values of those investments. If the prices of A-Share equity securities had increased/decreased by 10% (2024: 10%), the Sub-Fund's net asset attributable to unitholders would have resulted in an increase/decrease of RMB3,688,641 (2024: RMB2,843,335).

3 Financial risk management (continued)

ii Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

Certain financial assets and liabilities held by the Sub-Fund are interest bearing. As a result, the Manager considers that the Sub-Fund is subject to risks due to fluctuations in the prevailing levels of market interest rates. Change in the fair value of the interest bearing portfolio is monitored via risk measures such as interest rate duration and credit spread duration.

The tables below summarise the Sub-Fund's exposure to interest rate risks at the reporting date. Included in the table are the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

As at 31 December 2025

	Within 1 year RMB	1 - 5 years RMB	No stated maturity RMB	Non-interest bearing RMB	Total RMB
Assets					
Investments					
- RMB denominated bonds	-	2,208,492	-	-	2,208,492
- A-Share equity securities	-	-	-	36,886,410	36,886,410
Interest receivables	-	-	-	28,002	28,002
Deposit reserve	-	-	13,673	-	13,673
Cash and cash equivalents	2,954,655	-	-	-	2,954,655
Total assets	2,954,655	2,208,492	13,673	36,914,412	42,091,232
Liabilities					
Amount due to brokers	-	-	-	1,470,924	1,470,924
Management fee payable	-	-	-	17,886	17,886
Trustee fee payable	-	-	-	19,529	19,529
Sub-custodian fee payable	-	-	-	3,577	3,577
Accrued expense and other payable	-	-	-	153,054	153,054
Net assets attributable to unitholders	-	-	-	40,426,262	40,426,262
Total liabilities	-	-	-	42,091,232	42,091,232
Total interest sensitivity gap	2,954,655	2,208,492	13,673		

3 Financial risk management (continued)

As at 31 December 2024

	Within 1 year RMB	1 - 5 years RMB	No stated maturity RMB	Non-interest bearing RMB	Total RMB
Assets					
Investments					
- RMB denominated bonds	2,003,600	-	-	-	2,003,600
- A-Share equity securities	-	-	-	28,433,350	28,433,350
Interest receivables	-	-	-	11,957	11,957
Deposit reserve	-	-	14,911	-	14,911
Cash and cash equivalents	3,755,899	-	-	-	3,755,899
Amounts due from brokers	-	-	-	744,778	744,778
Total assets	5,759,499	-	14,911	29,190,085	34,964,495
Liabilities					
Management fee payable	-	-	-	16,064	16,064
Trustee fee payable	-	-	-	18,885	18,885
Sub-custodian fee payable	-	-	-	3,213	3,213
Accrued expense and other payable	-	-	-	109,016	109,016
Net assets attributable to unitholders	-	-	-	34,817,317	34,817,317
Total liabilities	-	-	-	34,964,495	34,964,495
Total interest sensitivity gap	5,759,499	-	14,911		

The majority of the Sub-Fund's interest rate exposure is on debt instruments denominated in RMB. Interest rate exposures are expressed in terms of rate of weighted modified duration. The Manager monitors the interest rate risks by quantifying market exposure in duration terms. The adjusted weighted modified duration is the modified duration multiplied by the allocation of net asset value and a sensitivity factor. As at 31 December 2025, the Sub-Fund invested in debt securities of RMB2,208,492 (2024: RMB2,003,600) and the portfolio weighted average modified duration of the Sub-Fund is 1.31 (2024: 0.03).

At 31 December 2025, should interest rates have lowered/risen by 25 basis points (2024: 25 basis points) with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders would amount to approximately RMB10,785 (2024: RMB150) arising substantially from the increase/decrease in market values of debt securities.

iii. Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As at 31 December 2025 and 2024, the Sub-Fund is not exposed to significant currency risk as majority of its assets and liabilities are denominated in RMB, the Sub-Fund's functional and presentation currency. Accordingly, the Management considers that it is not necessary to present a sensitivity analysis of currency risk.

3 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

All transactions in 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 only made once the custodian has received payment. Payment is made on a purchase when the securities have been received by the custodian. The trade will fail if either party fails to meet its obligation.

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in debt securities. The Sub-Fund does not have explicit restrictions on the minimum credit ratings of securities it may hold. The Manager actively manages the portfolio of the Sub-Fund. In case of credit rating downgrading, the Manager will adjust the positions in the portfolio using its credit analysis and rating systems that are designed to manage credit risks. The table below summarises the credit quality of the Sub-Fund's debt portfolio, which represents 5.46% and 5.75% of the net asset value as at 31 December 2025 and 2024 respectively:

Debt securities by rating category:

Rating	2025 % of net asset value	2024 % of net asset value
Standard & Poor's		
A+	5.46	5.75
	<u>5.46</u>	<u>5.75</u>

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

The Sub-Fund is also exposed to credit risk on cash and cash equivalents.

3 Financial risk management (continued)

The table below summarises the net exposure to the Sub-Fund's counterparties together with their credit ratings:

As at 31 December 2025

	RMB	<i>Credit rating</i>	<i>Source of credit rating</i>
Investments			
HSBC Bank (China) Company Limited	39,094,902	A+	Standard& Poor's
Cash and cash equivalents			
HSBC Bank (China) Company Limited	2,920,337	A+	Standard& Poor's
Bank of Communications Co., Ltd Hong Kong Branch ¹	34,318	A-	Standard& Poor's
	<u>2,954,655</u>		
Deposit reserve			
HSBC Bank (China) Company Limited	13,673	A+	Standard& Poor's

As at 31 December 2024

	RMB	<i>Credit rating</i>	<i>Source of credit rating</i>
Investments			
HSBC Bank (China) Company Limited	30,436,950	A+	Standard& Poor's
Cash and cash equivalents			
HSBC Bank (China) Company Limited	3,721,066	A+	Standard& Poor's
Bank of Communications Co., Ltd Hong Kong Branch ¹	34,833	A-	Standard& Poor's
	<u>3,755,899</u>		
Deposit reserve			
HSBC Bank (China) Company Limited	14,911	A+	Standard& Poor's

¹ Credit rating of its ultimate holding company Bank of Communications Co., Ltd. is used.

3 Financial risk management (continued)

All the Sub-Fund's investments, cash and cash equivalents and deposit reserve are held in major financial institutions, which the Sub-Fund believes are of high credit quality. The Manager considers that the Sub-Fund does not have a significant concentration of credit risk.

Cash and cash equivalents, interest receivables and deposit reserve are subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

The Manager mitigates the counterparty risk associated with the Sub-Fund by putting in place appropriate counterparty risk management procedures. The Manager monitors the credit rating of the brokers on an ongoing basis.

(c) 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 redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of its assets in securities that are traded in an active market which can be readily disposed of.

Units are redeemed on demand at the unitholder's option. With a view to protect the interest of unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of units of the Sub-Fund redeemed on any dealing day to 10% of the total number of units in issue. As at 31 December 2025, there was 1 (2024: 1) unitholder account holding more than 10% of the Sub-Fund's units.

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:

	<i>Less than 3 months RMB</i>
As at 31 December 2025	
Amount due to brokers	1,470,924
Management fee payable	17,886
Trustee fee payable	19,529
Sub-custodian fee payable	3,577
Accrued expenses and other payables	153,054
Net assets attributable to unitholders	40,426,262
Contractual cash outflow	<u>42,091,232</u>

3 Financial risk management (continued)

	<i>Less than 3 months RMB</i>
As at 31 December 2024	
Management fee payable	16,064
Trustee fee payable	18,885
Sub-custodian fee payable	3,213
Accrued expenses and other payables	109,016
Net assets attributable to unitholders	<u>34,817,317</u>
Contractual cash outflow	<u>34,964,495</u>

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 3 months or less. The following table illustrates the expected liquidity of assets held:

	<i>Less than 3 months RMB</i>	<i>Over 3 months RMB</i>
As at 31 December 2025		
Total assets	<u>42,077,559</u>	<u>13,673</u>
As at 31 December 2024		
Total assets	<u>34,937,661</u>	<u>26,834</u>

(d) Fair value estimation

The Sub-Fund classifies 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:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Sub-Fund can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3 Financial risk management (continued)

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

The determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-Fund 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.

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets measured at fair value at 31 December 2025 and 2024 respectively:

	<i>Level 1</i> RMB	<i>Level 2</i> RMB	<i>Level 3</i> RMB	<i>Total</i> RMB
As at 31 December 2025				
Financial assets at fair value through profit or loss				
- RMB denominated bonds	-	2,208,492	-	2,208,492
- A-Share equity securities	36,886,410	-	-	36,886,410
Total	<u>36,886,410</u>	<u>2,208,492</u>	<u>-</u>	<u>39,094,902</u>
	<i>Level 1</i> RMB	<i>Level 2</i> RMB	<i>Level 3</i> RMB	<i>Total</i> RMB
As at 31 December 2024				
Financial assets at fair value through profit or loss				
- RMB denominated bonds	-	2,003,600	-	2,003,600
- A-Share equity securities	28,433,350	-	-	28,433,350
Total	<u>28,433,350</u>	<u>2,003,600</u>	<u>-</u>	<u>30,436,950</u>

For the year ended 31 December 2025 and 2024, there were no transfers between levels.

3 Financial risk management (continued)

(d) Capital risk management

The capital of the Sub-Fund is represented by the net assets attributable to unitholders. 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. The Management may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Fund; and
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders.

4 Distribution to unitholders

The Sub-Fund did not make any distribution during the year ended 31 December 2025 and 2024.

5 Net gains on financial assets at fair value through profit or loss

	2025 RMB	2024 RMB
Net unrealised gains/(losses) of financial assets at fair value through profit or loss	2,173,136	(377,878)
Net realised gains on sale of financial assets at fair value through profit or loss	<u>5,180,124</u>	<u>7,441,684</u>
	<u>7,353,260</u>	<u>7,063,806</u>

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

As at 31 December 2025 and 2024, the Sub-Fund issued two classes of units – Class I and Class R. Class R units are available for sale to the retail public in Hong Kong. Class I units are offered to institutional investors.

Net assets attributable to unitholders represent liability in the statement of financial position, carried at the redemption amount that would be payable at the statement of financial position date if the unitholders exercised the right to redeem the units.

The movements of the redeemable units are disclosed in the statement of changes in net assets attributable to unitholders.

6 Number of units in issue and net assets attributable to unitholders per unit (continued)

The following table details the net asset value per unit of each class of units at the reporting date:

	<i>Number of units outstanding</i>	<i>Net asset value per unit RMB</i>
As at 31 December 2025		
Class I	2,000,000.000	18.267
Class R	<u>219,574.840</u>	<u>17.721</u>
As at 31 December 2024		
Class I	2,000,000.000	15.348
Class R	<u>276,669.616</u>	<u>14.890</u>

7 Transactions with related parties or connected persons

The following is a summary of transactions entered into during the year between the Sub-Fund and its related parties including the Manager, Trustee and their connected persons. Connected persons are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the connected persons except for those disclosed below.

All transactions were entered into during the year between the Sub-Fund and the Manager, Trustee and their connected persons were carried out in the ordinary course of business and on normal commercial terms.

(a) Bank balances and investments

Bank balances deposited at 31 December 2025 and 2024 and interest income earned during the year on these bank balances are summarised below.

7 Transactions with related parties or connected persons (continued)

Bank balances are maintained with HSBC Bank (China) Company Limited, the connected person of the Manager and the Trustee:

	2025 RMB	2024 RMB
Investment held	<u>39,094,902</u>	<u>30,436,950</u>
Bank balances deposited	<u>2,920,337</u>	<u>3,721,066</u>
Deposit reserve deposited	<u>13,673</u>	<u>14,911</u>
Interest income earned	<u>1,382</u>	<u>2,909</u>

Bank balances are maintained with Bank of Communications Co. Ltd HK Branch, a branch of Bank of Communications Co. Ltd., the ultimate holding company of the Manager and the Trustee:

	2025 RMB	2024 RMB
Bank balances deposited	<u>34,318</u>	<u>34,833</u>
Interest income earned	<u>378</u>	<u>75</u>

(b) Management fee

The Manager is entitled to receive a management fee calculated and accrued on each dealing day and payable monthly in arrears. The Manager charged a rate of 1.5% per annum for Class R and 1.2% per annum for Class I which was reduced to 0.5% per annum respectively effective from 1 October 2024.

The management fee charged for the year ended 31 December 2025 was RMB184,664 (2024: RMB290,923), of which RMB17,886 (2024: RMB16,064) was outstanding at 31 December 2025.

(c) Trustee fee

The Trustee is entitled to receive a trustee fee of up to 1% per annum of the net asset value of the Sub-Fund. Currently, the Trustee is entitled to receive a fee of 0.11% (2024: 0.11%) per annum of the net asset value of each class of the Sub-Fund, subject to a monthly minimum fee of RMB18,000 for the sub-fund (2024: RMB18,000 for the sub-fund). The fee is calculated and accrued daily and payable monthly in arrears.

7 Transactions with related parties or connected persons (continued)

The table below summarises the trustee fee for the year and trustee fee payable by Sub-Fund as at 31 December 2025 and 2024:

	2025 RMB	2024 RMB
Trustee fee	<u>216,000</u>	<u>236,884</u>
Trustee fee payable	<u>19,529</u>	<u>18,885</u>

(d) Sub-custodian fee

During the year ended 31 December 2025, the Sub-Fund recognised a sub-custodian fee of RMB17,556 (2024: RMB14,518) charged by HSBC Bank (China) Company Limited, the connected person of the Manager and the Trustee, of which RMB3,577 (2024: RMB3,213) was outstanding at 31 December 2025.

(e) Holdings of units of the Sub-Fund

The holdings of units of the Sub-Fund by the Manager and its connected persons as at 31 December 2025 and 2024 were as follows.

Units held by BOCOM International Holdings Company Limited, the parent company of the Manager:

<u>2025</u>	<i>Units outstanding at 1 January 2025</i>	<i>Units subscribed during the year</i>	<i>Units redeemed during the year</i>	<i>Units outstanding at 31 December 2025</i>
Class I	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
<u>2024</u>	<i>Units outstanding at 1 January 2024</i>	<i>Units subscribed during the year</i>	<i>Units redeemed during the year</i>	<i>Units outstanding at 31 December 2024</i>
Class I	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>

8 Transaction costs

Transaction costs include brokerage and commission fee for the purchases and sales of investments. The transaction costs charged for the year ended 31 December 2025 amounted to RMB601,863 (2024: RMB345,422).

9 Taxation

(a) Hong Kong Profits Tax

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

(b) PRC Withholding Tax

For the year ended 31 December 2025 and 2024, the Sub-Fund had invested in RMB denominated A-shares and debt securities in PRC.

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

During the years ended 31 December 2025 and 2024, there was no capital gain derived from disposal of debt securities in PRC by the Sub-Fund, as a result, no provision was made.

Withholding income tax of 10% was charged on dividend income and interest income received from A-shares during the year.

Temporary exemption of PRC WIT and Value-Added Tax ("VAT") on bond interest income effective from 7 November 2018

On 7 November 2018, the Ministry of Finance ("MOF") and the PRC State Taxation Administration ("STA") jointly issued a notice Caishui 2018 No.108 ("Circular 108") which stipulates that foreign institutional investors are temporarily exempted from PRC WIT and VAT in respect of bond interest income received from 7 November 2018 to 6 November 2022. On 22 November 2022, the MOF and the STA officially issued Public Notice 2022 No.34 to extend the CIT and VAT exemption treatment on the bond interest income for the foreign institutional investors investing in the domestic bond market from 6 November 2022 to 31 December 2025.

The taxation of the Sub-Fund represents:

	2025 RMB	2024 RMB
Withholding tax on interest income	140	291
Withholding tax on dividend income	49,186	83,861
Taxation	<u>49,326</u>	<u>84,152</u>

10 Soft commission arrangements

During the year, the Manager and its connected persons did not enter into any soft dollar arrangements with brokers relating to dealing in the assets of the Sub-Fund.

11 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Sub-Fund.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures - Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards - Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Sub-Fund is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Sub-Fund does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

Investment portfolio (unaudited) as at 31 December 2025

Investments (96.71%)	Holdings	Fair Value RMB	% of Net assets
Listed debt securities (5.46%)			
China			
China People's Republic of Government 1.590 03/15/27	2,200,000	2,208,492	5.46%
		<u>2,208,492</u>	<u>5.46%</u>
Listed equity securities (91.25%)			
China			
Anhui Jianghuai Automobile Group Corp Ltd	23,000	1,138,500	2.82%
Beijing JingPinTeZhuang Science and Technology Co Ltd	20,000	1,656,000	4.10%
Beijing YanDong Micro Electronic Co Ltd	70,000	2,025,800	5.01%
Bethel Automotive Safety Systems Co Ltd	38,000	1,948,260	4.82%
China International Capital Corp Ltd	55,000	1,925,000	4.76%
CNOOC Ltd	52,000	1,569,360	3.88%
Goertek Inc	70,000	2,011,100	4.97%
Lingyi iTech (Guangdong) Co	160,000	2,486,400	6.15%
Guangdong Provincial Expressway Development Co Ltd	240,000	2,827,200	6.99%
Hengli Petrochemical Co Ltd	75,000	1,689,750	4.18%
Huizhou Desay SV Automotive Co Ltd	18,000	2,165,400	5.36%
Industrial and Commercial Bank of China Ltd	400,000	3,172,000	7.85%
Lens Technology Co Ltd	65,000	1,967,550	4.87%
Mesnac Co Ltd	300,000	2,445,000	6.05%
Quantum CTEK Co Ltd	6,000	3,022,740	7.48%
Rongsheng Petrochemical Co Ltd	160,000	1,873,600	4.63%
Suzhou Dongshan Precision Manufacturing Co Ltd	35,000	2,962,750	7.33%
		<u>36,886,410</u>	<u>91.25%</u>
Total investments (cost: RMB38,041,922)		<u>39,094,902</u>	<u>96.71%</u>
Other net assets		<u>1,331,360</u>	<u>3.29%</u>
Total net assets as at 31 December 2025		<u>40,426,262</u>	<u>100.00%</u>

Statement of movements in investment portfolio (unaudited) for the year ended 31 December 2025

	<i>Holdings/principal</i>				2025
	2024	Additions	Corporate Actions	Disposals	
Investments					
Listed equity securities					
China					
Accelink Technologies Co Ltd	-	30,000	-	30,000	-
Agricultural Bank of China Ltd	-	450,000	-	450,000	-
Anhui Jianghuai Automobile Group Corp Ltd	-	45,000	-	22,000	23,000
Anker Innovations Technology Co Ltd	-	16,000	-	16,000	-
Avic XiAn Aircraft Industry Group Co Ltd	-	55,000	-	55,000	-
Bank of China Ltd	-	500,000	-	500,000	-
BeiJing Certificate Authority Co Ltd	-	50,000	-	50,000	-
Beijing JingPinTeZhuang Science and Technology Co Ltd	-	35,000	-	15,000	20,000
Beijing Kingsoft Office Software Inc	-	16,000	-	16,000	-
Beijing Philisense Technology Co Ltd	-	170,000	-	170,000	-
Beijing YanDong Micro Electronic Co Ltd	-	70,000	-	-	70,000
Bethel Automotive Safety Systems Co Ltd	-	38,000	-	-	38,000
BTG Hotels Group Co Ltd	-	150,000	-	150,000	-
China Marine Information Electronics Co Ltd	-	44,000	-	44,000	-
CGN Power Co Ltd	-	800,000	-	800,000	-
ChangBai Mountain Tourism Co Ltd	-	60,000	-	60,000	-
Chengdu Hongqi Chain Co Ltd	-	500,000	-	500,000	-
China Construction Bank Corp	-	300,000	-	300,000	-
China International Capital Corp Ltd	-	55,000	-	-	55,000
China Merchants Expressway Network Technology Holdings Co Ltd	-	200,000	-	200,000	-
China Mobile Ltd	-	38,000	-	38,000	-
China National Nuclear Power Co Ltd	-	190,000	-	190,000	-
China Spacesat Co Ltd	75,000	50,000	-	125,000	-
China Telecom Corp Ltd	-	400,000	-	400,000	-
Chipsea Technologies Shenzhen Corp Ltd	-	37,000	-	37,000	-
CNOOC Ltd	-	52,000	-	-	52,000
DBG Technology Co Ltd	60,000	-	-	60,000	-
Digiwin Co Ltd	-	80,000	-	80,000	-
First Capital Securities Co Ltd	-	300,000	-	300,000	-
Foxconn Industrial Internet Co Ltd	-	115,000	-	115,000	-
Fujian Sunner Development Co Ltd	-	100,000	-	100,000	-

Statement of movements in investment portfolio (unaudited) for the year ended 31 December 2025 (continued)

	<i>Holdings/principal</i>				2025
	2024	Additions	Corporate Actions	Disposals	
Investments (continued)					
Gambol Pet Group Co Ltd	-	20,000	-	20,000	-
Goertek Inc	-	70,000	-	-	70,000
Gree Electric Appliances Inc of Zhuhai	-	55,000	-	55,000	-
Guangdong Huicheng Vacuum Technology Co Ltd	-	15,700	-	15,700	-
Lingyi iTech (Guangdong) Co Guangdong Provincial Expressway Development Co Ltd	-	160,000	-	-	160,000
Guangzhou Sie Consulting Co Ltd	-	240,000	-	-	240,000
Guizhou Aviation Technical Development Co Ltd	-	70,000	-	70,000	-
Guizhou Space Appliance Co Ltd	-	38,000	-	38,000	-
Hangzhou EZVIZ Network Co Ltd	-	59,000	-	59,000	-
Hangzhou Jiebai Group Co Ltd	-	50,000	-	50,000	-
Hanwei Electronics Group Corp	-	280,000	-	280,000	-
Hengli Petrochemical Co Ltd	-	90,000	-	90,000	-
HOB Biotech Group Corp Ltd	-	75,000	-	-	75,000
Guangdong Hongtu Technology Holdings Co Ltd	-	11,000	-	11,000	-
Huaneng Power International Inc	-	100,000	-	100,000	-
Huizhou Desay SV Automotive Co Ltd	-	460,000	-	460,000	-
Hunan Gold Corp Ltd	-	18,000	-	-	18,000
iFLYTEK Co Ltd	-	100,000	-	100,000	-
Industrial and Commercial Bank of China Ltd	-	38,000	-	38,000	-
Inner Mongolia Yili Industrial Group Co Ltd	70,000	720,000	-	320,000	400,000
Inner Mongolia Xingye Silver&Tin Mining Co Ltd	140,000	170,000	-	240,000	-
Intsig Information Co Ltd	-	110,000	-	250,000	-
Jiangsu Yanghe Distillery Co Ltd	-	9,500	3,800	13,300	-
Jiugui Liquor Co Ltd	-	45,000	-	45,000	-
JoukWatt Technology Co Ltd	-	42,000	-	42,000	-
Jushri Technologies Inc	-	25,000	-	25,000	-
Kidswant Children Products Co Ltd	220,000	50,000	-	50,000	-
Kunshan Dongwei Technology Co Ltd	60,000	-	-	220,000	-
Leader Harmonious Drive Systems Co Ltd	-	12,000	-	60,000	-
Lens Technology Co Ltd	-	125,000	-	13,000	65,000
Limin Group Co Ltd	-	130,000	-	60,000	-
Luzhou Laojiao Co Ltd	-	130,000	-	130,000	-
Maxscend Microelectronics Co Ltd	-	26,000	-	26,000	-
Mesnac Co Ltd	-	13,000	-	13,000	-
Midea Group Co Ltd	-	300,000	-	-	300,000
Muyuan Foods Co Ltd	-	32,000	-	32,000	-
	-	55,000	-	55,000	-

Statement of movements in investment portfolio (unaudited) for the year ended 31 December 2025 (continued)

	<i>Holdings/principal</i>				2025
	2024	Additions	Corporate Actions	Disposals	
Investments (continued)					
Ningbo ZhongDa Leader Intelligent Transmission Co Ltd	-	20,000	6,000	26,000	-
North Industries Group Red Arrow Co Ltd	-	115,000	-	115,000	-
Ping An Insurance (Group) Co of China Ltd	50,000	-	-	50,000	-
Quantum CTEK Co Ltd	-	6,000	-	-	6,000
Rongsheng Petrochemical Co Ltd	-	160,000	-	-	160,000
Semiconductor Manufacturing International Corp	-	25,000	-	25,000	-
Shanghai Awinic Technology Co Ltd	-	20,000	-	20,000	-
Shanghai Longcheer Technology Co Ltd	43,000	-	-	43,000	-
Shanghai Yaoji Technology Co Ltd	70,000	-	-	70,000	-
Shanjin International Gold Co Ltd	-	110,000	-	110,000	-
Shanxi Xinghuacun Fen Wine Factory Co Ltd	-	18,000	-	18,000	-
Shenzhen Kaifa Technology Co Ltd	-	100,000	-	100,000	-
Shenzhen Kedali Industry Co Ltd	-	20,000	-	20,000	-
Shenzhen Techwinsemi Technology Co Ltd	-	29,700	-	29,700	-
Shenzhen Urban Transport Planning Center Co Ltd	30,000	-	-	30,000	-
Sichuan Huafeng Technology Co Ltd	-	73,000	-	73,000	-
Sichuan Jiuzhou Electric Co Ltd	-	165,000	-	165,000	-
Suzhou Dongshan Precision Manufacturing Co Ltd	-	105,000	-	70,000	35,000
TCL Zhonghuan Renewable Energy Technology Co Ltd	-	290,000	-	290,000	-
Telling Telecommunication Holding Co Ltd	140,000	-	-	140,000	-
Three Squirrels Inc	-	72,000	-	72,000	-
TianJin 712 Communication & Broadcasting Co Ltd	-	72,000	-	72,000	-
Transwarp Technology Shanghai Co Ltd	-	45,000	-	45,000	-
TRS Information Technology Co Ltd	-	100,000	-	100,000	-
Tsingtao Brewery Co Ltd	-	72,000	-	72,000	-
Valiant Co Ltd	-	180,000	-	180,000	-
Zhejiang Wanfeng Auto Wheel Co Ltd	150,000	-	-	150,000	-
Weichai Power Co Ltd	-	150,000	-	150,000	-
Yonghui Superstores Co Ltd	-	500,000	-	500,000	-

Statement of movements in investment portfolio (unaudited)
 for the year ended 31 December 2025 (continued)

	<i>Holdings/principal</i>				2025
	2024	Additions	Corporate Actions	Disposals	
Investments (continued)					
Zhejiang Jinggong Integration Technology Co Ltd	95,000	-	-	95,000	-
Zhejiang Narada Power Source Co Ltd	-	140,000	-	140,000	-
Zhejiang XCC Group Co Ltd	-	40,000	-	40,000	-
Zhuzhou Smelter Group Co Ltd	-	150,000	-	150,000	-
Zijin Mining Group Co Ltd	170,000	-	-	170,000	-
Listed debt securities					
China					
CNGV 1.360 07/25/25 MATd	2,000,000	-	-	2,000,000	-
CNGV 1.590 03/15/27	-	2,200,000	-	-	2,200,000

Performance table (unaudited)
 for the year ended 31 December 2025

	<i>Net asset value of the Sub-Fund RMB</i>	<i>Net asset value per unit RMB</i>
At 31 December 2025 (NAV)	40,426,262	
Class I		18.267
Class R		17.721
	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2024 (NAV)	34,817,317	
Class I		15.348
Class R		14.890
	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2023 (NAV)	29,725,012	
Class I		12.325
Class R		11.983
	<hr/> <hr/>	<hr/> <hr/>

Performance table (unaudited)
for the year ended 31 December 2025 (continued)

	<i>Highest net asset value per unit RMB</i>	<i>Lowest net asset value per unit RMB</i>
Highest and lowest net asset value per unit		
At 31 December 2025		
Class I	18.528	14.431
Class R	17.975	14.000
At 31 December 2024		
Class I	17.401	10.664
Class R	16.881	10.366
At 31 December 2023		
Class I	15.925	12.018
Class R	15.518	11.685
At 31 December 2022		
Class I	19.217	14.025
Class R	18.796	13.677
At 31 December 2021		
Class I	22.330	17.205
Class R	21.900	16.868
At 31 December 2020		
Class I	19.887	11.433
Class R	19.511	11.242
At 31 December 2019		
Class I	13.336	10.083
Class R	13.129	9.951
At 31 December 2018		
Class I	15.854	10.143
Class R	15.692	10.011
At 31 December 2017		
Class I	15.283	11.477
Class R	15.134	11.394
At 31 December 2016		
Class I	12.628	10.570
Class R	12.575	10.524

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25