



Shenyin Wanguo RMB Mainland Investment Fund

(A sub-fund of SWS Strategic Investment Funds,
an open-ended trust established as an umbrella
fund under the laws of Hong Kong)

31 December 2025

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Administration and management

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Liang Jun

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AUDITOR

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Report of the manager

Market Review and Portfolio Review

In 2025, China's Gross Domestic Product (GDP) grew by 5.0% year-over-year, successfully meeting the annual growth target. The Consumer Price Index (CPI) remained flat compared to the previous year, reflecting ongoing structural challenges in the recovery of domestic demand. Financial support continued to intensify, with the Total Social Financing (TSF) grew by 8.3% year-over-year.

Regarding monetary policy, the People's Bank of China shifted its stance to "moderately loose" in 2025, implementing cuts to the Reserve Requirement Ratio (RRR) and interest rates to further reduce comprehensive financing costs. The Central Economic Work Conference emphasized the principle of seeking progress while maintaining stability and enhancing quality and efficiency, implementing more proactive macro policies focused on developing new quality productive forces and promoting large-scale equipment updates and consumer goods "trade-in" programs.

Despite external trade pressures and tariff challenges, the RMB exchange rate appreciated 4% versus US dollar. The annual trade surplus reached a record high of nearly \$1.2 trillion, providing support for the stability of the exchange rate and foreign exchange reserves.

For the 12-month period, the Fund's total return (including dividend pay-out) was -0.03% for A (Retail) class and 0.41% for I (institutional) class. The ChinaBond Composite Full Price Index (CBCFPI) fell -1.59%.

Report of the manager (continued)

Market Outlook and Portfolio Strategy

For 2026, China's economic landscape is characterized by a transition toward high-quality, innovation-driven growth as it enters the first year of the 15th Five-Year Plan (2026–2030). While domestic demand and property remain headwinds, strategic shifts in industrial policy and a proactive fiscal stance are expected to underpin a stable macroeconomic environment.

The China onshore bond market is still characterized by low yields and an accommodative monetary policy designed to support the economy. As the issuance of government bond remains high, the 10-year Chinese Government Bond (CGB) is projected to trade in a range. Credit spreads remain tight, the "search for yield" must be balanced with rigorous risk management. Investors are pivoting toward high-quality state-owned enterprise (SOE) bonds and Local Government Financing Vehicles (LGFVs) with strong state backing. With its low correlation to major peers, investing in the China onshore bond market can play a meaningful role in enhancing portfolio diversification.

After years of consolidation, A-shares are entering a valuation repair phase. Improving corporate earnings and the return of foreign institutional capital are driving a gradual re-rating of Chinese assets. Investors tend to overweigh sectors aligned with the 15th Five-Year Plan's goals of technological self-reliance.

Through shifting the weight between bonds and equities based on the macroeconomic cycle and the relative valuation between the two asset classes, such rebalancing strategy is preferred to be used to embrace market opportunities.

Concerns on Climate-related Risk for the Fund

Funds pay close attention to investment targets that align with environmental, social, and governance (ESG) principles throughout the investment process. This approach not only aims to achieve financial returns but also strives to drive social progress, protect natural resources, and promote sound corporate governance, thereby delivering long-term, stable, and responsible investment returns. By actively investing in assets with strong ESG performance, funds seek to preserve and enhance asset value while contributing to a more harmonious, prosperous, and sustainable future.

Sincerely yours,

✕  

Shenwan Hongyuan Asset Management (Asia) Limited

30 APR 2026

Investments are subject to investment risks, fund value may go up as well as down and past performance is not indicative of future performance. Please refer to the Explanatory Memorandum for details including the risk factors. Shenwan Hongyuan Asset Management (Asia) Limited is the issuer of this report. This document has not been reviewed by the Securities and Futures Commission.

Report of the trustee to the unitholders

We hereby confirm that, in our opinion, the Manager has, in all material respects, managed the SWS Strategic Investment Funds – Shenyin Wanguo RMB Mainland Investment Fund in accordance with the provisions of the Trust Deed dated 6 January 2012 and all its supplemental deeds for the year ended 31 December 2025.

For and on behalf of

Pang
x



Bank of Communications Trustee Limited

30 APR 2026



Independent auditor's report to the unitholders of Shenyin Wanguo RMB Mainland Investment Fund

*(a sub-fund of SWS Strategic Investment Funds, an open-ended unit trust
established as an umbrella fund under the laws of Hong Kong)*

Report on the audit of financial statements

Opinion

We have audited the financial statements of Shenyin Wanguo RMB Mainland Investment Fund (a sub-fund of SWS Strategic Investment Funds (the "Trust") and referred to as the "Sub-Fund") set out on pages 9 to 40, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows 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 IFRS Accounting Standards issued by the International Accounting Standards Boards ("IASB").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("IAASB"). 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 *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (the "IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the IESBA 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 of the Sub-Fund are responsible for the other information. The other information comprises 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.

Independent auditor's report to the unitholders of Shenyin Wanguo RMB Mainland Investment Fund (continued)

(a sub-fund of SWS Strategic Investment Funds, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

Report on the audit of financial statements (continued)

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

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 Manager and the Trustee of the Sub-Fund for the financial statements

The Manager and the Trustee of the Sub-Fund are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs issued by the IASB, 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 of the Sub-Fund 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 of the Sub-Fund either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 6 January 2012 (the "Trust Deed") and supplemental deeds, as amended (the "Supplemental Deed") and the relevant disclosure provisions of Appendix E of the 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. Our 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.

Independent auditor's report to the unitholders of Shenyin Wanguo RMB Mainland Investment Fund (continued)

(a sub-fund of SWS Strategic Investment Funds, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

Report on the audit of financial statements (continued)

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

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 aspects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E to 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 Manager and the Trustee of the Sub-Fund.
- 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.

**Independent auditor's report to the unitholders of
Shenyin Wanguo RMB Mainland Investment Fund
(continued)**

*(a sub-fund of SWS Strategic Investment Funds, an open-ended unit trust
established as an umbrella fund under the laws of Hong Kong)*

Report on the audit of financial statements (continued)

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

- 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 of the Sub-Fund 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 the relevant disclosure provisions of 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 the relevant disclosure provisions in Appendix E to the SFC Code.



Certified Public Accountants

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

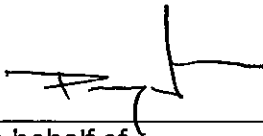
30 APR 2026

Statement of financial position as at 31 December 2025 (Expressed in Renminbi)

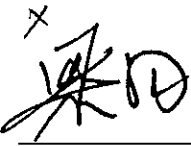
| | Notes | 2025 RMB | 2024 RMB |
|---|-------|-------------------|-------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalent | 7(f) | 452,336 | 1,120,901 |
| Bank deposits | 7(f) | 21,508 | 22,955 |
| Amount due from investment manager | 7(g) | - | 93,000 |
| Financial assets at fair value through profit or loss | | 31,324,021 | 30,911,777 |
| Amount due from a broker | | - | 86,513 |
| Interest receivable | 7(f) | 440,631 | 453,386 |
| Prepayments | | 10,991 | - |
| Total assets | | 32,249,487 | 32,688,532 |
| Liabilities | | | |
| Current liabilities | | | |
| Commission payable | 7(e) | - | 283 |
| Management fee payable | 7(a) | 29,503 | 15,712 |
| Trustee fee payable | 7(b) | 66,181 | 53,227 |
| Sub-custodian fee payable | 7(c) | 1,347 | 2,718 |
| Other payables and accruals | | 208,087 | 204,600 |
| Tax payable | 6 | 232,847 | 232,847 |
| Total liabilities (excluding net assets attributable to unitholders) | | 537,965 | 509,387 |
| Net assets attributable to unitholders | | 31,711,522 | 32,179,145 |

Approved and authorised for issue by the Trustee and the Manager on **30 APR 2026**

Pangox



For and on behalf of
Bank of Communications Trustee Limited
As the Trustee



For and on behalf of
Shenwan Hongyuan Asset Management (Asia) Limited
As the Manager

The notes on pages 14 to 40 form part of these financial statements.

Statement of comprehensive income for the year ended 31 December 2025

(Expressed in Renminbi)

| | Notes | 2025 RMB | 2024 RMB |
|---|-------|------------------|--------------------|
| INCOME | | | |
| Dividend income | | 8,800 | 500 |
| Interest on bank deposit | 7(f) | 4,225 | 18,499 |
| Interest from financial assets at fair value through profit or loss | | 797,141 | 866,625 |
| Net gains on financial assets at fair value through profit or loss | 5 | 221,946 | 1,075,349 |
| Net exchange gains/(losses) | | 906 | (12,398) |
| Other income | 7(g) | - | 93,000 |
| Total net income/(loss) | | 1,033,018 | 2,041,575 |
| EXPENSES | | | |
| Management fee | 7(a) | (178,531) | (184,592) |
| Trustee fee | 7(b) | (396,000) | (608,783) |
| Sub-custodian fee | 7(c) | (18,720) | (32,623) |
| Auditor's remuneration | | (206,902) | (204,600) |
| Commission and brokerage fee | 7(e) | (5,762) | (9,536) |
| Legal and professional fees | | (23,837) | - |
| Other expenses | | (9,770) | (62,867) |
| Total operating expenses | | (839,522) | (1,103,001) |
| FINANCE COST | | | |
| Distributions to unitholders | 8 | (139,894) | (665,548) |
| Profit before taxation | | 53,602 | 273,026 |
| Taxation | 6 | - | (50) |
| Increase in net assets attributable to unitholders from operations and total comprehensive income for the year | | 53,602 | 272,976 |

The notes on pages 14 to 40 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)

| | Class A | | Number of units | Class I | | Total |
|---|--|------------------------------|-----------------|--|------------------------------|-------------|
| | Net assets attributable to unitholders RMB | Net asset value per unit RMB | | Net assets attributable to unitholders RMB | Net asset value per unit RMB | |
| As at 1 January 2024 | 44,267,896 | 85.622 | 320,192,555 | 29,134,553 | 90.990 | 32,924,886 |
| Issuance of units | 579,562 | 49,183 | - | - | - | 49,183 |
| Redemption of units | (12,637,127) | (1,067,900) | - | - | - | (1,067,900) |
| Increase/(decrease) in net assets attributable to unitholders from operations and total comprehensive income for the year | - | (10,073) | - | 283,049 | - | 272,976 |
| As at 31 December 2024 and 1 January 2025 | 32,210,331 | 85.734 | 320,192,555 | 29,417,602 | 91.874 | 32,179,145 |
| Issuance of units | 3,290,943 | 282,111 | - | - | - | 282,111 |
| Redemption of units | (9,402,497) | (803,336) | - | - | - | (803,336) |
| Increase/(decrease) in net assets attributable to unitholders from operations and total comprehensive income for the year | - | (13,987) | - | 67,589 | - | 53,602 |
| As at 31 December 2025 | 26,098,777 | 85.304 | 320,192,555 | 29,485,191 | 92.085 | 31,711,522 |

The notes on pages 14 to 40 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2025

(Expressed in Renminbi)

| | 2025 RMB | 2024 RMB |
|--|-------------|-------------|
| Operating activities | | |
| Increase in net assets attributable to unitholders from operations and total comprehensive income for the year | 53,602 | 272,976 |
| Adjustments for: | | |
| - Interest income on bank deposit | (4,225) | (18,499) |
| - Interest from financial assets at fair value through profit or loss | (797,141) | (866,625) |
| - Distributions to unitholders | 139,894 | 665,548 |
| - Dividend income | (8,800) | (500) |
| - Withholding tax | - | 50 |
| | (616,670) | 52,950 |
| Operating (loss)/gain before working capital changes | | |
| Net (increase)/decrease in financial assets at fair value through profit or loss | (412,244) | 430,117 |
| Decrease/(increase) in amount due from investment manager | 93,000 | (93,000) |
| Decrease/(increase) in amount due from a broker | 86,513 | (86,513) |
| Decrease in bank deposits | 1,447 | 3,580 |
| Increase in prepayments | (10,991) | - |
| Decrease in commission payable | (283) | (2,288) |
| Increase in management fee payable, trustee fee payable, sub-custodian fee payable and other payables and accruals | 28,861 | 8,701 |
| | (830,367) | 313,547 |
| Cash (used in)/generated from operations | | |
| Interest received | 814,121 | 939,777 |
| Dividend received | 8,800 | 500 |
| Withholding tax paid | - | (50) |
| | (7,446) | 1,253,774 |
| Net cash (used in)/generated from operating activities | (7,446) | 1,253,774 |

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

| | 2025 RMB | 2024 RMB |
|---|-------------|-------------|
| Financing activities | | |
| Proceeds from issuance of units | 282,111 | 49,183 |
| Payments on redemption of units | (803,336) | (1,067,900) |
| Distributions paid | (139,894) | (665,548) |
| | (661,119) | (1,684,265) |
| Net cash used in financing activities | (661,119) | (1,684,265) |
| Net decrease in cash and cash equivalents | (668,565) | (430,491) |
| Cash and cash equivalents at the beginning of the year | 1,120,901 | 1,551,392 |
| Cash and cash equivalents at the end of the year | 452,336 | 1,120,901 |

The notes on pages 14 to 40 are an integral part of these financial statements.

Notes to the financial statements

1 The Sub-Fund

SWS Strategic Investment Funds (the "Trust") is constituted as an umbrella unit trust established under the laws of Hong Kong pursuant to a trust deed dated 6 January 2012 (the "Trust Deed") and supplemental deed, as amended (the "Supplemental Deeds") entered into between Shenwan Hongyuan Asset Management (Asia) Limited (the "Manager") and Bank of Communications Trustee Limited (the "Trustee"). The Trust is an open-ended unit trust and is authorised by Securities and Futures Commission of Hong Kong under Section 104(1) of the Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code").

Shenyin Wanguo RMB Mainland Investment Fund (the "Sub-Fund") constituted as a separate sub-fund of the Trust on 10 January 2012.

A separate sub-fund can be created and established to which assets and liabilities attributable to the relevant sub-fund applied. A separate class of units relating exclusively to each sub-fund will be issued. As at 31 December 2025, there is another sub-fund under the Trust – Shenyin Wanguo RQFII A Share Strategy Fund. The assets and liabilities of each sub-fund of the Trust are separate and distinct from the assets and liabilities of the sub-fund of the Trust.

The investment objective of the Sub-Fund is to achieve medium to long-term capital appreciation by investing primarily in RMB-denominated and settled debt securities issued in the People's Republic of China ("PRC"). These include RMB denominated and settled debt securities issued in the PRC which include, but are not limited to, government treasury, local government bond, financial bond, central bank paper, enterprise bond, listed company bond, medium term note, commercial paper and convertible bond, fixed income funds which are authorised by the China Securities Regulatory Commission ("CSRC"), RMB denominated and settled equities which are listed on the Shanghai or Shenzhen Stock Exchanges and equity funds which are authorised by the CSRC.

The Sub-Fund can invest directly in debt securities and equity securities issued within PRC and China A-Shares by using the Renminbi Qualified Institutional Investors ("RQFII") quota of Shenwan Hongyuan (International) Holdings Limited, the holding company of the Manager.

2.1 Statement of compliance and basis of preparation of the financial statements

These financial statements have been prepared in accordance with IFRS Accounting Standards, which collective includes all applicable individual International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standard Board ("IASB"), the relevant disclosure provisions of the Trust Deed and its supplemental deeds, and the relevant disclosure provisions specified in Appendix E of the SFC Code.

2.1 Statement of compliance and basis of preparation of the financial statements (continued)

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting year of the Sub-Fund. Note 2.3 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 years reflected in these financial statements.

The financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss that have been measured at fair value as explained in the accounting policies set out below. The financial statements are presented in RMB and all values are rounded to the nearest RMB except where otherwise indicated.

2.2 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) *Financial assets at fair value through profit or loss*

Classification

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. The contractual cash flows of the Sub-Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Recognition/derecognition

Regular purchases and sales of investments are accounted for on the trade date basis. 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.

Measurement

Investments are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

2.2 Material accounting policies (continued)

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income within "Net gains/(losses) on financial assets at fair value through profit or loss" in the period in which they arise.

Fair value estimation

The Sub-Fund adopted IFRS 13 "Fair value measurement" for fair value estimation of financial assets at fair value through profit or loss. The fair value of investments that are listed or traded on an exchange is based on quoted market prices at close of trading on the reporting date.

Investments which are not listed on an exchange or are thinly traded are valued by using quotes from brokers.

Investments which are traded in the interbank markets (for example, unlisted debt securities) are fair valued by using the valuation provided by China Central Depository & Clearing Co., Ltd., a company jointly established by People's Bank of China and Ministry of Finance to undertake the function of centralized depository and settlement for the interbank bond market.

Transfer between levels of the fair value hierarchy

Transfers between levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

(b) Offsetting financial instruments

Financial assets and financial 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.

(c) Income

Interest income is recognised on a time-proportionate basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of an interest-bearing asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.2 Material accounting policies (continued)

Dividend income on equity securities is recorded on the ex-dividend date. Dividend income on equity securities where no ex-dividend date is quoted is accounted for when the Sub-Fund's right to receive payment is established.

Realised gains and losses on disposal of investments classified as at fair value through profit or loss area calculated using the weighted average cost basis. They represent the difference between an investment's initial carrying amount and disposal amount.

(d) Expenses

Expenses are accounted for on an accrual basis and recognised in the period they incurred.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less.

(f) Amount due from/to brokers

Amounts due from brokers include receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date.

Amounts due to brokers includes payables for securities purchased (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date.

These amounts 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 broker 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 broker, probability that the broker 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 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.

(g) 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 Renminbi (the "RMB"). The Manager considers the RMB as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in RMB, which is the Sub-Fund's functional and presentation currency.

2.2 Material accounting policies (continued)

(h) Foreign currencies transactions

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 reporting date.

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

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

(i) Redeemable units

Net assets attributable to unitholders

The Sub-Fund issues redeemable units, namely Class A units and Class I units, which are redeemable at the unitholder's option and are classified as financial liabilities.

The unitholders can redeem the units on dealing days which are generally Hong Kong and PRC business days or such other day or days determined by the Manager and Trustee may agree from time to time for cash equal to a proportionate share of the Sub-Fund's net assets attributable to unitholders of the relevant class. Class A units are subject to management fee at 1.2% of the net asset value per annum while Class I units are subject to management fee at 0.75% of the net asset value per annum prior to 1 February 2023 and 0.5% of the net asset value per annum beginning on 1 February 2023.

Redeemable units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net assets attributable to unitholders per unit for each unit class at the time of issue or redemption. The Sub-Fund's net assets attributable to unitholders is calculated by dividing the net assets attributable to unitholders by number of units in issue.

Redemption of units are processed on each business day (Dealing Date) and redemption proceeds are usually settled within 5 business days from the dealing date.

The Manager maintains the right to limit redemption up to 10% of total number of units in issue on dealing day prorated by investors' redemptions on the same dealing day. Any units not redeemed which would have otherwise been redeemed will be carried forward for redemption, subject to the same limitation on the next succeeding dealing day(s) until initial redemption request has been satisfied in full.

Distributions to unitholders

Distributions are at the discretion of the Manager of the Sub-Fund. A distribution to the Sub-Fund's unitholder is included in the statement of comprehensive income as "Finance cost". A proposed distribution is recognised as a liability in the period in which it is approved and announced by the Manager of the Sub-Fund.

2.2 Material accounting policies (continued)

Proceeds and payments on issue and redemption of units

The net asset value of the Sub-Fund is computed daily. Prices for issues and redemption are based on the latest available valuation of the Sub-Fund and each unit class. Proceeds and payments for units issued and redeemed are shown as movements in the statement of changes in net assets attributable to unitholders.

(j) **Taxation**

The Sub-Fund currently incurs withholding taxes imposed by the PRC on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes and capital gains tax are included as "Taxation" in the statement of comprehensive income.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The Sub-Fund considers interest and penalties on related tax liabilities to be an inseparable element of the tax liability and accounts for interest and penalties as if they are within the scope of IAS 12. These amounts are included within the "Taxation" in the statement of comprehensive income, and the liability would be included within the "Tax payable" on the statement of financial position.

(k) **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 of a parent of the Sub-Fund;

2.2 Material accounting policies (continued)

- (b) An entity is related to the Sub-Fund if any of the following conditions applies:
- (i) the entity and the Sub-Fund are members of the same group (which means that each parent, subsidiary and fellow subsidiaries 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 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); or
 - (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.

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.

2.3 Changes in accounting policies

The Sub-Fund has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*, issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Sub-Fund 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.

3 Significant accounting judgement and estimates

The preparation of the Sub-Fund's financial statements requires the Manager to make judgement, estimates and assumptions that affect the reported amounts recognised in the financial statements. 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.

(a) **Overview of People's Republic of China ("PRC") tax provision on marketable securities**

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.

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 equity securities, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

In addition, the non-PRC residents with interest income derived from the debt securities will be subject to 10% WIT, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties. Pursuant to the PRC CIT Law, debt securities issuers in the PRC are obligated to withhold the 10% PRC WIT on interest income for those foreign debt securities holders. However, interest income derived from government bonds issued by the State Council's finance departments and/or local government bonds approved by the State Council may be exempt from PRC WIT under the PRC CIT Law.

Furthermore, according to the notice Caishui [2016] No.36 ("Circular 36"), Value-Added Tax ("VAT") at 6% shall be levied on the difference between the selling and buying prices of those marketable securities and interest income is subject to VAT at 6% starting from 1 May 2016, unless there is specific VAT exemption under the tax regulations. Bank deposit interest income and interest received from government bonds and local government bonds are exempt from VAT.

In addition, if VAT is applicable, local surtaxes including Urban Maintenance and Construction Tax ("UMCT") (currently at the rate ranging from 1% to 7%), Education Surcharge ("ES") (currently at the rate of 3%) and Local Education Surcharge ("LES") (currently at the rate of 2%) are imposed based on the VAT liabilities (the "VAT related taxes"). Pursuant to the newly issued UCMT Law and Public Notice [2021] No.28 jointly issued by the Ministry of Finance ("MOF") and the PRC State Taxation Administration ("STA"), effective from 1 September 2021, no UCMT, ES and LES would be levied on the VAT paid for the service provisions and sale of intangible assets in China by overseas parties to PRC parties. However, in practice, the implementation of the exemption may vary depending on the local practice.

3 Significant accounting judgement and estimates (continued)

According to Caishui [2014] No. 79, Qualified Foreign Institutional Investors (“QFII”)/RQFII without permanent establishment in the PRC or having an establishment in the PRC but the income derived in China is not effectively connected with such establishment are temporarily exempt from PRC CIT on capital gains derived from trading PRC equity investments (including A Shares) effective from 17 November 2014. According to Caishui [2014] No. 81 and Caishui [2016] No. 127, capital gains derived by overseas investors from the trading of China A Shares via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock

Connect are temporarily exempt from PRC CIT. The capital gains derived by QFIIs/RQFIIs or through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect from trading of marketable securities (including A-shares and other PRC listed securities) are exempted from VAT in the PRC under Circular 36 and other prevailing VAT regulations.

The Sub-Fund invests in A-Shares stocks traded via QFIIs/RQFIIs is subjected to 10% WIT on dividend income derived from the shares. WIT was charged on dividend income received from the shares during the years ended 31 December 2025 and 2024.

According to Stamp Duty Law, Stamp Duty is levied on security transactions at 0.1% of the transaction amount. The transferor of the security transaction is the taxpayer and the security registration and settlement institution is the withholding agent. According to Announcement [2023] No.39 of the Ministry of Finance and the State Taxation Administration, Stamp Duty on security transactions will be reduced by half from 28 August 2023.

(b) Capital gains on PRC debt securities

During the years ended 31 December 2025 and 2024, the Sub-Fund invests in PRC debt securities in PRC through the RQFIIs program. The Manager considers that the enforcement of PRC tax on gains derived from the PRC debt securities and is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether the Sub-Fund may be liable for PRC taxation on its gains, the amount of potential liability and the probability of such tax being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events.

The Manager considered that the WIT policy for RQFII's investment in debt securities has not been clarified in the “Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFIIs and RQFIIs” (the “Notice”).

Based on the previous verbal interpretation of the STA and the local PRC tax authorities, the authorities are of the view that capital gains derived by foreign investors from investment in PRC debt securities would not be treated as PRC-sourced income and thus would not be subject to PRC WIT. However, there are no written tax regulations issued by the PRC tax authorities to confirm this interpretation. As a matter of practice, such 10% PRC WIT on capital gains realised by non-PRC tax resident enterprises from the trading of these PRC debt securities has not been strictly enforced by the PRC tax authorities.

3 Significant accounting judgement and estimates (continued)

The Manager has also considered the applicability of the arrangement between PRC and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion to the Sub-Fund. Based on the above, the Manager assessed that the probability of such tax being levied up to the approval date of the financial statements of the Sub-Fund is reasonably low. Based on all the aforementioned factors, the Manager has reassessed the provisioning approach and has continued not making PRC WIT provision on capital gains derived from the PRC debt securities of the Sub-Fund.

The Manager estimates the gross realised gains from 10 January 2012 (date of inception) to 31 December 2025 and gross unrealised gains of the Sub-Fund as at 31 December 2025 which could be exposed to PRC WIT at the rate of 10% to be RMB30,879,910 (from 10 January 2012 (date of inception) to 31 December 2024: RMB30,346,079) and RMB12,099,600 (As at 31 December 2024: RMB12,770,460) respectively.

The estimated potential capital gain tax exposure arising from realised capital gain and unrealised capital gain would be RMB3,087,991 and RMB1,209,960 respectively which in aggregate represents 13.55% (As at 31 December 2024: RMB3,034,608 and RMB1,277,046 respectively which in aggregate represents 13.40%) of the net assets attributable to unitholders of the Sub-Fund as at 31 December 2025. The Manager considers that the PRC WIT on capital gains from PRC debt securities is still uncertain and has not made the provision on the gross realised capital gains and gross unrealised capital gains derived from PRC debt securities in the Sub-Fund as at 31 December 2025 and 2024.

The Manager has exercised its judgment when assessing whether the Sub-Fund may be liable for PRC taxation on its gains, the amount of potential liability and the probability of such tax being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events.

As a matter of practice, such 10% PRC WIT on capital gains realised by non-PRC tax resident enterprises from the trading of these securities has not been strictly enforced by the PRC tax authorities, therefore on 19 September 2017, the Manager reversed the unused WIT provision on PRC debt securities amount to RMB2,612,550. In addition, with effect from 19 September 2017, the Manager has decided to change the tax provisioning policy with the Sub-Fund and ceased to provide PRC WIT for realised and unrealised gains on trading of PRC debt securities on or after 19 September 2017.

(c) **Interest income on bonds issued by PRC tax residents ("PRC bonds")**

Temporary exemption of PRC WIT and VAT on bond interest income effective from 7 November 2018

On 7 November 2018, the MOF and the 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 2021. On 22 November 2021, the MOF and the STA officially issued Public Notice [2021] 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 2021 to 31 December 2025.

3 Significant accounting judgement and estimates (continued)

Pursuant to the notice to unitholders dated 23 April 2020, the Manager decided to change the tax provisioning policy of the Sub-Fund and ceased to make provisions for PRC WIT and VAT (plus the VAT related taxes) on the interest income derived from PRC non-government bonds for the period from 7 November 2018 onward.

Prior to the temporary exemption of PRC WIT and VAT on bond interest income

The Management considers that the PRC WIT treatment on accrued interest of PRC non-government bonds holding by the Sub-Fund as at 31 December 2025 derived from 10 January 2012 (date of inception) to 6 November 2018 (prior to WIT exemption under Circular 108) and the enforcement of VAT and the VAT related taxes from 1 May 2016 (effective date of Circular 36) to 6 November 2018 (prior to VAT exemption under Circular 108) is uncertain as at the date of approval of these financial statements. The Manager has exercised significant judgment in their assessment of the PRC withholding tax expense and the related tax provision.

PRC WIT

For the PRC bonds disposed of during the year, Management has not made provision on the accrued interest income of PRC bonds during the year and as at reporting date as they consider that:

- (i) the issuers of PRC bonds are required to withhold 10% WIT at the coupon payment date before distributing the interest income to the bond holder; and
- (ii) the Manager has sold the PRC bonds before the coupon payment dates or the maturity dates of the PRC bonds.

PRC VAT and related taxes

As at 31 December 2025, the Manager estimated that the Sub-Fund's accumulated interest income received from PRC non-government bonds from 1 May 2016 (effective date of Circular 36) to 6 November 2018 (prior to VAT exemption under Circular 108) of RMB741,798 (As at 31 December 2024: RMB741,798) could be exposed to PRC VAT, Urban Maintenance and Construction Tax, Education Surcharge and Local Education Surcharge amounting to approximately RMB47,447 (2024: RMB47,447). This amount has been provided in the statement of financial position.

(d) Capital gains on PRC investment funds

During the years ended 31 December 2025 and 2024, the Sub-Fund invests in PRC investment funds in PRC through the RQFII programs. The Manager considers that the enforcement of PRC tax on gains derived from the PRC Investment funds is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether the Sub-Fund may be liable for PRC taxation on its gains, the amount of potential liability and the probability of such tax being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events.

3 Significant accounting judgement and estimates (continued)

There are currently no specific tax rules or regulations governing the taxation of capital gains realised by foreign investors on the disposal of PRC investment funds. As a matter of practice, the collection of 10% PRC WIT on capital gains realised by foreign investors from the trading of PRC investment funds has not been strictly enforced by the PRC tax authorities.

The Manager considers that the PRC WIT on capital gains from PRC investment funds is still uncertain and has continued not making PRC WIT provision on gains derived from the PRC Investments of the Sub-Fund.

(e) Fund distribution received from PRC investment funds in PRC

There are currently no specific tax rules or regulations governing the taxation of distribution from the PRC investment funds to foreign investors.

According to Caishui [2008] No. 1, fund distribution derived by investors from collective investment scheme should be temporarily exempt from CIT. However, based on the previous interpretation of Shanghai tax authorities, the tax exemption under Caishui [2008] No.1 is not applicable to QFII and RQFII. In practice, if the fund distribution is classified as dividend in the PRC audit report, it will be subject to PRC WIT at 10%. If the fund distribution is classified as interest income in the PRC audit report, it will be subject to PRC WIT at 10% and VAT & local surtaxes at 6.72%. As mentioned, according to Public Notice [2021] No. 28, effective from 1 September 2021, no local surtaxes would be levied on the VAT paid for the service provisions and sale of intangible assets in China by overseas parties to PRC parties. Based on the current interpretation of Shanghai tax authorities, the local surtax exemption is also applicable to QFII and RQFII.

The above treatment is the practice of Shanghai tax authorities only, which may be subject to change from time to time without notice. Other PRC tax authorities may have different interpretation and practice towards the fund distribution from collective investment schemes.

The Manager considers that the enforcement of PRC WIT and VAT & local surtaxes treatment on fund distribution received from PRC investment funds is uncertain as at the date of approval of these financial statements. The Manager has exercised significant judgment in their assessment of the PRC WIT and the related tax provision.

The Manager estimates that for the year ended 31 December 2025, the Sub-Fund's accumulated fund distribution received from RMB denominated PRC investment funds of RMB4,915,571 (2024: RMB4,915,571) could be exposed to 10% PRC WIT of approximately RMB491,557 (2024: RMB491,557) and 6.72% VAT of approximately RMB309,526 (2024: RMB309,526) respectively, which in aggregate represents 2.53% of the net assets attributable to unitholders of the Sub Fund as at 31 December 2025 (2024: 2.49%). For the year ended 31 December 2025 and 2024, the Sub Fund has not made tax provision for the distribution from the PRC investment funds.

3 Significant accounting judgement and estimates (continued)

The Manager reviews the relevant PRC tax rules on the PRC investment funds from time to time. Any change in taxation imposed on RQFII is likely to have a subsequent impact on the required provision and accordingly the net assets attributable to unitholders of the Sub-Fund. When the STA issues clarifications, this might ultimately result in either an increase or a decrease in the amount provided. The Manager will always act in the best interest of unitholders and will continually assess the tax provision on an on-going basis.

4 Financial risk management

(a) Strategy in using financial instruments

The Sub-Fund's objective in managing risk is the creation and protection of unitholder value. Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subjecting to relevant controls. The process of risk management is critical to the Sub-Fund's continuing profitability.

The investments in the Sub-Fund are subject to normal market fluctuation and other risks inherent in trading in securities and derivatives. There can be no assurance that any appreciation in value will occur. The value of investments may fluctuate and therefore the value of the units can fall as well as rise.

(b) 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.

The following table discloses the investments of the Sub-Fund by product type:

| | 2025 RMB | 2024 RMB |
|------------------------|-------------|-------------|
| Listed investment fund | 1,972,550 | 1,100,600 |
| Debt securities | 29,351,471 | 29,811,177 |
| | 31,324,021 | 30,911,777 |

4 Financial risk management (continued)

The following table discloses the financial assets at fair value through profit or loss of the Sub-Fund by industrial sectors:

| | 2025 | | 2024 | |
|------------------------|------------|---------------------------------|------------|---------------------------------|
| | RMB | <i>% of net asset value</i> | RMB | <i>% of net asset value</i> |
| Consumer Discretionary | - | - | 165,099 | 0.51 |
| Financials | 16,295,840 | 51.38 | 23,541,986 | 73.15 |
| Government | 5,006,940 | 15.79 | 5,525,470 | 17.17 |
| National Defence | 274,600 | 0.87 | | |
| Technology | 1,040,700 | 3.28 | - | - |
| Industrial | 6,118,107 | 19.30 | 669,912 | 2.09 |
| Utilities | - | - | 1,009,310 | 3.14 |
| Real Estate | 2,587,834 | 8.16 | - | - |
| | 31,324,021 | 98.78 | 30,911,777 | 96.06 |

The Sub-Fund's net assets attributable to unitholders is impacted by the increases/decreases of the underlying listed equities and investment funds to which the Sub-Fund is exposed. As at 31 December 2025, if the underlying securities had increased/decreased by 10%, the Sub-Fund's pre-tax profits for the year would have resulted in an increase/decrease of RMB197,255 (2024: RMB110,060).

The Manager has used their view of what would be a "reasonable possible shift" in each key market to estimate the change for use in the market sensitivity analysis. The analysis is performed on same basis for 2024.

(c) **Interest rate risk**

Interest rate risks arise from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The majority of interest rate exposure arises on investments in debt securities in the PRC and denominated in RMB. All of the Sub-Fund's investments in debt securities carry fixed interest rates and mature within 1 to 10 years. The Sub-Fund also hold cash and cash equivalents that expose the Sub-Fund to cash flow interest rate risk.

4 Financial risk management (continued)

Included in the table are the Sub-Fund's interest-bearing assets and liability at fair values, categorised by the earlier of contractual repricing and maturity dates:

| | <i>Maturity up to 1 year RMB</i> | <i>Maturity 1 - 5 years RMB</i> | <i>Maturity over 5 years RMB</i> | <i>Total RMB</i> |
|---|--|---|--|----------------------|
| As at 31 December 2025 | | | | |
| Financial assets at fair value through profit or loss - Debt securities | 6,232,486 | 23,118,985 | - | 29,351,471 |
| Bank deposits | 21,508 | - | - | 21,508 |
| Cash and cash equivalents | 452,336 | - | - | 452,336 |
| As at 31 December 2024 | | | | |
| Financial assets at fair value through profit or loss - Debt securities | 10,562,298 | 18,239,569 | 1,009,310 | 29,811,177 |
| Bank deposits | 22,955 | - | - | 22,955 |
| Cash and cash equivalents | 1,120,901 | - | - | 1,120,901 |

The Sub-Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial assets at fair value through profit or loss, cash at bank and bank deposits. The Sub-Fund is not subject to significant impact of interest rate risk from its cash balances and bank deposits due to immaterial in size.

The majority of the Sub-Fund's interest rate exposure on debt instruments are RMB denominated. 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. Beta adjusted weighted modified duration is the modified duration multiplied by the allocation of net asset value and a sensitivity factor (beta).

At 31 December 2025, should interest rates have lowered/risen by 100 (2024: 300) basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately RMB456,894 (2024: RMB1,371,215).

(d) Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Sub-Fund mainly invests in securities and other investments that are denominated in RMB, the functional currency of the Sub-Fund. Accordingly, the Manager considers that the Sub-Fund is not exposed to significant currency risk and therefore no sensitivity analysis is presented.

4 Financial risk management (continued)

(e) Credit risk

Credit risk is the risk that an issuer or counterparty to a financial instrument will cause a financial loss for the Sub-Fund by failing to discharge an obligation.

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investment in debt securities and cash and cash equivalent. 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 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. As at 31 December 2025 and 2024, all other receivables and cash and cash equivalent are held with counterparties with a credit rating of A2 or higher and are due to be settled within 1 week. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

As at 31 December 2025 and 2024, the credit ratings of the Sub-Fund's RQFII custodian and the counterparties are at or above investment grade with the reference to the rating agencies.

Debt securities

The table below summarises the credit rating of the debt securities categorised by the rating agencies:

| | 2025 % of net asset value | 2024 % of net asset value |
|---|---------------------------------|---------------------------------|
| Debt securities by rating category | | |
| Investment Grade | 92.56 | 92.17 |
| Unrated | - | 0.47 |
| | 92.56 | 92.64 |

The Manager has assessed the credit quality of the RMB denominated bonds based on the nature of the issuers and the historical information about the issuers' default rates. The majority of unrated securities have been assessed by the investment manager to have credit quality consistent with Investment Grade investments.

4 Financial risk management (continued)

The Sub-Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honor its contractual obligations. These credit exposures exist within financing relationships, derivatives, and other transactions.

It is the Sub-Fund's policy to enter into financial instruments with reputable counterparties. The Manager closely monitors the creditworthiness of the Sub-Fund's counterparties (e.g. brokers, custodians, and banks) by reviewing their credit rating and financial statements on a regular basis.

All transactions in securities are settled/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 once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Fund's financial assets which are potentially subject to concentration of credit risk consist principally of banks balances and financial assets held with the custodian.

As at 31 December 2025, the Sub-Fund place cash and cash equivalents and financial assets with Bank of Communications Co., Ltd, the RQFII custodian of the Sub-Fund. The Sub-Fund also place cash and cash equivalents with Bank of Communications Co., Ltd., Hong Kong Branch ("the bank"). As at 31 December 2025 and 2024, the credit rating of the RQFII custodian and the bank are at above investment grade with reference to the rating agencies.

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of financial position.

None of the assets is impaired nor past due but not impaired.

(f) *Liquidity risk*

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulty in meeting obligation associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Sub-Fund could be required to pay its liabilities or redeem its units earlier than expected. The Sub-Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holder's option based on the Sub-Fund's net asset value per unit at the time of redemption calculated in accordance with the Sub-Fund's Trust Deed.

The Manager monitors the Sub-Fund's liquidity position on a daily basis. The Manager may limit the aggregate number of units relating to the Sub-Fund redeemed on any dealing day to 10% of the total value of the units in issue of the Sub-Fund. In this event, the limitation will apply pro rata so that all unitholders wishing to redeem units on that dealing day will redeem the same proportion by value of those units, and units not redeemed are carried forward for redemption subject to the same limitation, on the next dealing day.

4 Financial risk management (continued)

The table below analyses the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed 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.

| | <i>Less than 3 months RMB</i> | <i>Over 3 months and less than 1 year RMB</i> | <i>Total RMB</i> |
|--|---------------------------------------|---|----------------------|
| As at 31 December 2025 | | | |
| Management fee payable | 29,503 | - | 29,503 |
| Trustee fee payable | 66,181 | - | 66,181 |
| Sub-custodian fee payable | 1,347 | - | 1,347 |
| Other payables and accruals | 208,087 | - | 208,087 |
| Tax payable | - | 232,847 | 232,847 |
| | <u>305,118</u> | <u>232,847</u> | <u>537,965</u> |
| Total liabilities (excluding net assets attributable to unitholders) | <u>305,118</u> | <u>232,847</u> | <u>537,965</u> |
| Net assets attributable to unitholders | <u>31,711,522</u> | - | <u>31,711,522</u> |
| As at 31 December 2024 | | | |
| Commission payable | 283 | - | 283 |
| Management fee payable | 15,712 | - | 15,712 |
| Trustee fee payable | 53,227 | - | 53,227 |
| Sub-custodian fee payable | 2,718 | - | 2,718 |
| Other payables and accruals | 204,600 | - | 204,600 |
| Tax payable | - | 232,847 | 232,847 |
| | <u>276,540</u> | <u>232,847</u> | <u>509,387</u> |
| Total liabilities (excluding net assets attributable to unitholders) | <u>276,540</u> | <u>232,847</u> | <u>509,387</u> |
| Net assets attributable to unitholders | <u>32,179,145</u> | - | <u>32,179,145</u> |

Units are redeemed on demand at the unitholder's option, however, the Manager does not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as the unitholders typically retain their units for the medium to long term. With a view to protecting 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 unitholder (2024: 1 unitholders) holding more than 10% of the Sub-Fund's units.

4 Financial risk management (continued)

The following table illustrates the expected liquidity of assets held:

| | <i>Less than 3 months RMB</i> | <i>Over 3 months and less than 1 year RMB</i> | <i>Total RMB</i> |
|-------------------------------|---------------------------------------|---|----------------------|
| As at 31 December 2025 | | | |
| Total assets | <u>32,249,487</u> | <u>-</u> | <u>32,249,487</u> |
| As at 31 December 2024 | | | |
| Total assets | <u>32,688,532</u> | <u>-</u> | <u>32,688,532</u> |

(g) Fair value

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the year end date. The Sub-Fund utilises the last traded market price as its fair valuation inputs for both financial assets.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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 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 - Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 - Observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 - Input that is significant to the fair value measurement is unobservable.

4 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:

| | Level 1 RMB | Level 2 RMB | Level 3 RMB | Total RMB |
|--|----------------|----------------|----------------|--------------|
| As at 31 December 2025 | | | | |
| <u>Financial assets at fair value through profit or loss</u> | | | | |
| - Listed investment fund | 1,972,550 | - | - | 1,972,550 |
| - Debt securities | - | 29,351,471 | - | 29,351,471 |
| | 1,972,550 | 29,351,471 | - | 31,324,021 |
| As at 31 December 2024 | | | | |
| <u>Financial assets at fair value through profit or loss</u> | | | | |
| - Listed investment fund | 1,100,600 | - | - | 1,100,600 |
| - Debt securities | - | 29,811,177 | - | 29,811,177 |
| | 1,100,600 | 29,811,177 | - | 30,911,777 |

During the years ended 31 December 2025 and 31 December 2024, there are no investments classified within Level 3 by the Sub-Fund, and there was no transfer between Level 1 and Level 2, or transfer into or out of Level 3.

Valuation techniques

Financial instruments including RMB denominated bonds that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs and classified within level 2. The investments in RMB denominated bonds are valued with reference to Shanghai Stock Exchange, Shenzhen Stock Exchange and China Government Securities Depository Trust quotes. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

4 Financial risk management (continued)

Fair value for financial instrument not measured at fair value

The carrying amount of those financial instruments not measured at fair value approximated to their fair values.

(h) *Capital risk management*

The Trust and the Sub-Fund do not have any externally imposed capital requirements. The Sub-Fund's objectives for managing capital are:

- (i) To invest the capital in investments for achieving its investment objectives;
- (ii) To achieve consistent returns while safeguarding capital by investing in diversified portfolio, by participating in derivatives and other capital markets and by using various investment strategies and hedging techniques; and
- (iii) To maintain sufficient liquidity to meet the expenses of the Sub-Fund and redemption requests as they arise.

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

| | 2025 RMB | 2024 RMB |
|-------------------------------|-------------|-------------|
| Net unrealised (losses)/gains | (346,310) | 705,876 |
| Net realised gains | 568,256 | 369,473 |
| | 221,946 | 1,075,349 |

6 Taxation

(a) *Hong Kong*

No provision for Hong Kong Profits Tax has been made for the Sub-Fund as it is authorised as collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

(b) *PRC*

For the year ended 31 December 2025 and 2024, the Sub-Fund invests in RMB denominated debt securities and collective investment schemes in PRC. Refer to Note 3 for details.

6 Taxation (continued)

The amount of taxation charged to the statement of comprehensive income represents:

| | 2025 RMB | 2024 RMB |
|---|-------------|-------------|
| Withholding tax expense charged on bond interest income | - | 50 |

The movement in withholding tax payable on interest income during the year is as follows:

| | 2025 RMB | 2024 RMB |
|------------------------------|-------------|-------------|
| At 1 January and 31 December | 232,847 | 232,847 |

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, the Investment Adviser, Trustee/RQFII Custodian and their connected persons (the "Connected Persons"). Connected Persons are those as defined in the SFC Code. All such transactions were entered into in the ordinary course of business and on normal commercial terms. 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.

(a) Management fee

The Manager is entitled to receive a management fee at a rate of 1.2% per annum (2024: 1.2% per annum) for Class A and 0.5% per annum (2024: 0.5% per annum, 0.75% per annum prior to 1 February 2023 and 0.5% per annum beginning on 1 February 2023) for Class I with respect to the units of the net asset value of the Sub-Fund calculated and accrued on each dealing day and are paid monthly in arrears.

Management fee charged for the year was RMB178,531 (2024: RMB184,592) of which RMB29,503 (2024: RMB15,712) was payable to the Manager as at 31 December 2025.

7 Transactions with related parties or connected persons (continued)

(b) Trustee fee

The Trustee is entitled to receive a trustee fee at a rate of 0.11% per annum (2024: 0.11% per annum) of the net asset value of the relevant Sub-Fund per annum and a minimum monthly fee of RMB33,000 (or equivalent). The trustee fee is accrued daily and is payable monthly in arrears.

Trustee fee charged for the year was RMB396,000 (2024: RMB608,783) of which RMB66,181 (2024: RMB53,227) was payable to the Trustee as at 31 December 2025.

(c) Sub-Custodian fee

Bank of Communications Co., Ltd (The "RQFII Custodian"), a holding company of Bank of Communications Trustee Limited, acts as a custodian to the Sub-Fund. It is entitled to receive transaction charges at customary market rates and sub-custodian fees at different rates. Such charges and fees will be calculated monthly and payable monthly in arrears. The sub-custodian will be paid at a rate of 0.10% per annum of the net asset value of the RQFII custodian account of the Sub-Fund.

The sub-custodian fee charged for the year was RMB18,720 (2024: RMB32,623) of which RMB1,347 (2024: RMB2,718) was payable to RQFII Custodian as at 31 December 2025.

(d) Holding 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. The holdings in the Sub-Fund by the Manager and its connected person as at 31 December 2025 and 2024 were as follows.

Details of Class A and Class I units held by a fellow subsidiary of the Manager, Shenwan Hongyuan Securities (H.K.) Limited, are as follows:

| | 2025 Units | 2024 Units |
|----------------|---------------|---------------|
| <u>Class A</u> | | |
| At 1 January | 29,605.103 | 38,864.939 |
| Subscription | 3,289.672 | 553.371 |
| Redemption | (9,011.406) | (9,813.207) |
| | 23,883.369 | 29,605.103 |
| At 31 December | 23,883.369 | 29,605.103 |
| <u>Class I</u> | | |
| At 1 January | 320,192.555 | 320,192.555 |
| At 31 December | 320,192.555 | 320,192.555 |

7 Transactions with related parties or connected persons (continued)

During the year ended 31 December 2025, the Class A and Class I distribution made to Shenwan Hongyuan Securities (H.K.) Limited for the year were RMB10,892 (2024: RMB19,148) and RMB128,077 (2024: RMB592,356).

(e) Investment transactions with connected persons of the Manager

In its purchases and sales of investments, the Sub-Fund utilises the brokerage services of connected person of the Manager. Details of transactions effected through this company are as follows:

| | Aggregate value of purchase and sales of securities RMB | Total commission paid RMB | % of Sub-Fund's total transactions during the year % | Average commission rate % |
|---------------------------------------|--|------------------------------------|--|------------------------------------|
| 2025 | | | | |
| Shenwan Hongyuan Securities Co., Ltd. | 37,657,512 | 5,762 | 100 | 0.02 |
| 2024 | | | | |
| Shenwan Hongyuan Securities Co., Ltd. | 34,666,842 | 9,536 | 100 | 0.03 |

As at 31 December 2025 and 2024, the amounts due from a broker represent unsettled trades with connected person of the Manager as at year end date. The commission payable with connected person of the Manager was RMB nil (2024: RMB283) as at 31 December 2025.

(f) Bank deposits and investments held by the Trustee's affiliate

The Sub-Fund's bank deposits and investments were held by Bank of Communications Co., Ltd and Bank of Communications Co., Ltd., HK Branch, which are under the same group of the Trustee and Bank of Communications Co., Ltd, the ultimate holding company of the Trustee. Further details of the balances held are described in Note 4(e) to the financial statements.

During the year, interest income received on these bank balances amounted to RMB4,225 (2024: RMB18,499), and bank charges on the transactions made under the bank account was RMB5,279 (2024: RMB6,772). As at 31 December 2025, included in the interest receivable amounted to RMB40 (2024: RMB136) interest receivable from the affiliate of the Trustee.

(g) Other income

The Manager bears up to HKD nil (2024: HKD100,000) (equivalent to RMB nil (2024: RMB93,000)) of the audit fee for the year ended 31 December 2025.

8 Distributions to unitholders

The Sub-Fund made the following distributions during the year ended 31 December 2025 and 2024:

| | 2025 RMB |
|---|-------------|
| For class A and class I | |
| <u>Interim distributions</u> | |
| RMB0.10 on 351,124.905 units on 17 March 2025 | 35,113 |
| RMB0.10 on 350,757.874 units on 16 June 2025 | 35,076 |
| RMB0.10 on 350,781.899 units on 15 September 2025 | 35,078 |
| <u>Final distribution</u> | |
| RMB0.10 on 346,272.499 units on 15 December 2025 | 34,627 |
| | 139,894 |
| | |
| | 2024 RMB |
| For class A and class I | |
| <u>Interim distributions</u> | |
| RMB0.70 on 364,458.489 units on 15 March 2024 | 255,121 |
| RMB0.70 on 359,833.293 units on 18 June 2024 | 251,883 |
| RMB0.25 on 352,297.637 units on 23 September 2024 | 88,073 |
| <u>Final distribution</u> | |
| RMB0.20 on 352,354.305 units on 16 December 2024 | 70,471 |
| | 665,548 |

The net profit before distribution for the year was RMB193,496 (2024: net profit before distribution for the year was RMB938,524). There is no undistributed income (2024: nil) brought forward as at 1 January 2025 and carried forward as at 31 December 2025 (2024: nil).

9 Net assets attributable to unitholders

There was no difference between the net assets attributable to unitholders as determined for the purposes of processing unit subscriptions and redemptions to the net assets attributable to unitholders as reported in the statement of financial position as at 31 December 2025 and 2024.

10 Soft commission arrangements

The Manager and its connected persons may enter into soft commission arrangements with brokers under which certain goods and services used to support investment decision making will be received. The Manager and its connected persons will not make direct payment for these services but will transact an agreed amount of business with the brokers on behalf of the Sub-Fund and commission will be paid on these transactions.

10 Soft commission arrangements (continued)

The goods and services must be of demonstrable benefit to the Sub-Fund and may include 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, clearing and custodian services and investment-related publications.

Since the inception of the Sub-Fund, the Manager had not participated in any soft dollar arrangements in respect of any transactions for the accounts 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 IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. Of these developments, the following may be relevant to the Sub-Fund's operations and financial statements:

| | <i>Effective for account periods beginning on or after</i> |
|--|--|
| Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i> | 1 January 2026 |
| Annual improvement to IFRS Accounting Standards – Volume 11 | 1 January 2026 |
| IFRS 18, <i>Presentation and Disclosure in Financial Statements</i> | 1 January 2027 |
| IFRS 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 amendments and interpretations 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 Sub-Fund's results of operations and financial position.

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

IFRS 18, *Presentation and disclosure in financial statements*

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

Among other changes, under IFRS 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 IFRS 18 and is still in the process of assessing the impact of the adoption.

Investment portfolio (unaudited) as at 31 December 2025

| <i>Investments</i> | <i>Holdings</i> | <i>Fair value RMB</i> | <i>% of net asset value</i> |
|---|-----------------|---------------------------|---------------------------------|
| Listed investment funds | | | |
| China | | | |
| ChinaAMC CNI Semiconductor Chips Index ETF | 300,000 | 519,600 | 1.64 |
| ChinaAMC CSI 1000 Index ETF | 100,000 | 313,200 | 0.99 |
| Hwabao WP CSI All Share Index ETF | 400,000 | 231,600 | 0.87 |
| Guotai CSI National Defense ETF | 200,000 | 274,600 | 1.49 |
| Huatai-PB CSI 300 ETF | 100,000 | 475,300 | 0.73 |
| Tianhong CSI Robot Index ETF | 150,000 | 158,250 | 0.50 |
| Total listed investment funds | | <u>1,972,550</u> | <u>6.22</u> |
| Debt securities | | | |
| China | | | |
| Bank of Chongqing Co Ltd 23/03/2028 2.5% | 238,000 | 298,093 | 0.94 |
| Bank of Shanghai Co Ltd 25/01/2027 4% | 850,000 | 1,052,165 | 3.32 |
| Beijing Daxing Development State-owned Capital Investment and Operation Group Co Ltd 31/05/2026 2.95% | 1,000,000 | 1,006,180 | 3.17 |
| China Government Bond 15/11/2027 1.42% | 3,000,000 | 3,005,400 | 9.48 |
| China Government Bond 25/07/2026 1.33% | 2,000,000 | 2,001,540 | 6.31 |
| Founder Securities Co Ltd 12/12/2027 2.03% | 1,000,000 | 1,000,540 | 3.16 |
| GF Securities Co Ltd 18/07/2028 1.85% | 2,000,000 | 1,992,750 | 6.28 |
| Guangdong Road & Bridge Construction Development Co Ltd 20/04/2029 3.83% | 2,000,000 | 2,012,910 | 6.35 |
| Guangzhou Finance Holdings Group Co Ltd 07/03/2027 3.5% | 2,000,000 | 2,039,723 | 6.43 |
| Guangzhou Radio Group Co Ltd 16/12/2027 1.4% | 1,000,000 | 988,419 | 3.12 |
| HBIS Company Limited 18/01/2027 2.98% | 2,000,000 | 2,024,250 | 6.38 |
| Huatai Securities Co Ltd 29/01/2026 4.5% | 2,000,000 | 2,034,900 | 6.42 |
| Industrial Bank Co Ltd 27/12/2027 | 1,500,000 | 1,810,613 | 5.71 |
| Ji'Nan Zicheng Investment Development Group Co Ltd 09/08/2027 3.5% | 551,000 | 581,834 | 1.83 |
| OmniVision Integrated Circuits Group Inc 28/12/2026 0.6% | 150,000 | 185,211 | 0.58 |
| Shaanxi Investment Co Ltd 21/04/2026 3.28% | 1,000,000 | 1,004,655 | 3.17 |
| Shanghai Nanfang Group Co Ltd 09/08/2027 2.09% | 2,000,000 | 2,006,000 | 6.33 |
| Shenzhen Credit Guarantee Group Co Ltd 27/07/2027 2.1% | 1,000,000 | 1,005,190 | 3.17 |
| Shenzhen International Holdings Limited 21/09/2028 2.95% | 1,000,000 | 1,008,829 | 3.19 |

Investment portfolio (unaudited) as at 31 December 2025 (continued)

| <i>Investments</i> | <i>Holdings</i> | <i>Fair value RMB</i> | <i>% of net asset value</i> |
|---|-----------------|---------------------------|---------------------------------|
| Debt securities | | | |
| China | | | |
| Shenzhen Investment Holdings Company Limited 18/03/2027 3.59% | 1,000,000 | 1,022,220 | 3.22 |
| Sichuan Provincial Investment Group Co Ltd 10/07/2028 2.89% | 1,000,000 | 1,006,062 | 3.17 |
| Tongwei Co Ltd 24/02/2028 1.8% | 150,000 | 177,639 | 0.56 |
| Tongxiang Zhendong New District Construction Investment Co Ltd 23/03/2027 4.45% | 212,000 | 86,348 | 0.27 |
| | | <u>29,351,471</u> | <u>92.56</u> |
| Total investment portfolio, at fair value | | 31,324,021 | 98.78 |
| Other net assets | | <u>387,501</u> | <u>1.22</u> |
| Net assets value as at 31 December 2025 (calculated in accordance with the Sub-Fund's explanatory memorandum) | | <u>31,711,522</u> | <u>100</u> |
| Total investment at cost | | <u>30,855,714</u> | |

Statement of movement in portfolio holdings (unaudited)
for the year ended 31 December 2025

| | <i>% holdings of net assets as at 31 December 2025</i> | <i>% holdings of net assets as at 31 December 2024</i> |
|-----------------------------------|--|--|
| People's Republic of China | | |
| Listed investment fund | 6.22 | 3.42 |
| RMB-denominated debt securities | 92.56 | 92.64 |
| | <hr/> | <hr/> |
| Total investment portfolio | 98.78 | 96.06 |
| Other net assets | 1.22 | 3.94 |
| | <hr/> | <hr/> |
| Net assets | 100.00 | 100.00 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

Net asset value

(calculated in accordance with the Sub-Fund's explanatory memorandum)

| | <i>Net asset value per unit RMB</i> | <i>Total net asset value RMB</i> |
|------------------------|---|--|
| As at 31 December 2025 | | |
| CLASS A | 85.304 | 2,226,331 |
| CLASS I | 92.085 | 29,485,191 |
| As at 31 December 2024 | | |
| CLASS A | 85.734 | 2,761,543 |
| CLASS I | 91.874 | 29,417,602 |
| As at 31 December 2023 | | |
| CLASS A | 85.622 | 3,790,333 |
| CLASS I | 90.990 | 29,134,553 |
| As at 31 December 2022 | | |
| CLASS A | 92.515 | 5,828,532 |
| CLASS I | 97.492 | 31,216,480 |

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

Highest issue price and lowest redemption price per unit

(calculated in accordance with the Sub-Fund's explanatory memorandum)

| | <i>Highest issue price per unit RMB</i> | <i>Lowest redemption price per unit RMB</i> |
|-----------------------------|---|---|
| Year ended 31 December 2025 | | |
| CLASS A | 93.203 | 90.781 |
| CLASS I | 86.566 | 84.456 |
| Year ended 31 December 2024 | | |
| CLASS A | 86.174 | 83.372 |
| CLASS I | 92.070 | 89.128 |
| Year ended 31 December 2023 | | |
| CLASS A | 93.300 | 85.486 |
| CLASS I | 98.344 | 90.826 |
| Year ended 31 December 2022 | | |
| CLASS A | 96.559 | 92.406 |
| CLASS I | 101.179 | 97.374 |
| Year ended 31 December 2021 | | |
| CLASS A | 99.135 | 95.988 |
| CLASS I | 103.458 | 100.538 |
| Year ended 31 December 2020 | | |
| CLASS A | 104.831 | 98.604 |
| CLASS I | 108.780 | 102.688 |

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

Highest issue price and lowest redemption price per unit (continued)

(calculated in accordance with the Sub-Fund's explanatory memorandum)

| | <i>Highest issue price per unit RMB</i> | <i>Lowest redemption price per unit RMB</i> |
|-----------------------------|---|---|
| Year ended 31 December 2019 | | |
| CLASS A | 104.43 | 102.56 |
| CLASS I | 107.74 | 106.08 |
| Year ended 31 December 2018 | | |
| CLASS A | 105.495 | 102.747 |
| CLASS I | 108.479 | 105.783 |
| Year ended 31 December 2017 | | |
| CLASS A | 105.508 | 101.599 |
| CLASS I | 108.210 | 104.017 |
| Year ended 31 December 2016 | | |
| CLASS A | 108.281 | 103.186 |
| CLASS I | 110.148 | 105.402 |
| Year ended 31 December 2015 | | |
| CLASS A | 108.178 | 103.686 |
| CLASS I | 110.001 | 104.984 |