

CHINESE MAINLAND FOCUS FUND
A Sub-fund of Value Partners Intelligent Funds

2022 ANNUAL
REPORT

For the year ended 31 December 2022

Value Partners Limited

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CHINESE MAINLAND FOCUS FUND

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(A Cayman Islands unit trust)

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GENERAL INFORMATION

Manager

Value Partners Limited
43rd Floor, The Center
99 Queen's Road Central
Hong Kong

Directors of the Manager

Dato' Seri Cheah Cheng Hye
Mr. So Chun Ki Louis
Mr. Ho Man Kei, Norman

Trustee, Registrar and Administrator

HSBC Trustee (Cayman) Limited

Principal address:

Strathvale House
90 North Church Street
George Town
Grand Cayman
KY1-1106
Cayman Islands

Registered address:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Custodian and Registrar's Agent

HSBC Institutional Trust Services (Asia)
Limited
1 Queen's Road Central
Hong Kong

PRC Custodian

HSBC Bank (China) Company Limited
33rd Floor, HSBC Building,
Shanghai IFC 8 Century Avenue,
Pudong Shanghai 200120
China

Legal Advisors

With respect to Cayman Islands law
Maples and Calder
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

With respect to Hong Kong law
Deacons
5th Floor, Alexandra House
18 Charter Road
Central, Hong Kong

Auditor

KPMG
P.O. Box 493
SIX Cricket Square
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GENERAL INFORMATION (Continued)

Recent awards and achievements

Fund awards	
2020	<ul style="list-style-type: none">• 2020 HKCAMA-Bloomberg Offshore China Fund Awards Best Total Return – Greater China Equity (5-year) 2nd Runner-up – <i>HKCAMA & Bloomberg</i>
2018	<ul style="list-style-type: none">• Lipper Fund Awards Hong Kong 2018 Best China Equity Fund - 10 Years – <i>Thomson Reuters</i>
Corporate awards	
2020	<ul style="list-style-type: none">• Top 25 Foreign Firms in China Value Partners is ranked the 9th – <i>Z-Ben Advisors</i>
2019	<ul style="list-style-type: none">• I&M Professional Investment Awards 2018 House Performance Awards: Offshore China Equity (10-Year) – <i>Insights and Mandate</i>
2018	<ul style="list-style-type: none">• Benchmark Fund of the Year Awards 2018, Hong Kong Greater China Equity House: Outstanding Achiever Asia ex-Japan Equity House: Best-In-Class – <i>Benchmark</i>

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MANAGER'S REPORT

2022 was a challenging period for China equities for most of the year, mainly driven by China's zero-Covid policy and other investor concerns, such as high inflation in the west and ongoing geopolitical tensions. With the risk-off sentiment, the MSCI China Index plummeted over 40% during the first ten months of the year¹. However, market concerns were eased as China relaxed its Covid measures and rolled out other supportive policies to bolster its economy. For the whole year of 2022, the Chinese Mainland Focus Fund's Class A units returned -31.5%, while the Index dropped 21.9% during the period¹.

Relaxing zero-Covid measures

In November, China started relaxing its zero-Covid policy as it released measures to fine-tune control measures. Investors globally welcomed the move positively, as it offered some early signs of loosening zero-Covid, which is essential for boosting consumption recovery. More recently, the speed of the country's reopening accelerated after the Central Economic Working Conference (CEWC) in December, with China announcing to scrap quarantine requirements for inbound travelers from 8 January 2023. The move, which exceeded expectations, essentially relaxes pandemic control measures held for the last three years. Meanwhile, the CEWC also stressed vigorously boosting market confidence and promoting the overall improvement of economic performance, reaffirming that growth remains a key priority for policymakers in 2023, further boosting market confidence.

Short-term disruption

With the relaxation of Covid measures, pandemic cases rose sharply, negatively affecting near-term economic activities. With mobility sharply declining in many cities, official PMI readings in December fell to the lowest since the first quarter of 2020², while exports have softened rapidly. However, we view that these exaggerate the downward pressure on the economy in the short term. We believe that the outlook is positive for China longer-term, supported by the strong balance sheets of corporates and households in China, the pent-up consumer demand, and further policy stimulus from the government. More measures to bolster consumption will likely come following the release of the strategic outline for 2022-2035 last month to expand domestic consumption.

Other supportive policies

Policymakers also released various measures to support the ailing property market. Dubbed the "three arrows", the policy mix include PBoC and CBIRC's 16 measures focusing on bond financing and bank lending and CSRC's five-point measure on equity financing. Although end demand will likely remain subdued in the near term, we believe these policies should help safeguard the financial and liquidity risks facing property developers and improve the health of the overall economy. Besides the property market, we see signs showing supportive policy measures in other sectors. For example, at the end of December, a new batch of online video gaming licenses ("banhao") was released, including about 40 imported games – which have been suspended since June 2021³. More recently, the CBIRC Chairman, Guo Shuqing, also says the rectification of the platform companies' financial businesses is "basically finished".

MANAGER'S REPORT (Continued)

Portfolio review

Our Fund has posted a solid recovery alongside improved market conditions. In December 2022, the Fund was up 5.4% versus a 5.2% gain in the MSCI China Index.

The returns were rather broad-based across different sectors and individual names, with the top contributors including:

- A leading internet behemoth in social communication services, which was bolstered by both improved macro conditions and clear regulatory support
- Two leading home furniture producers that benefited from the improved housing market conditions in China, especially with measures to safeguard the developers' financing
- One major gaming services operator in Macau, which was supported by the completed license review and the accelerated reopening in China

Other key contributors mainly include names from the internet, consumption, and financial sectors, such as a leading online wealth management platform, a leading sportswear company, as well as an internet company that focused on local services and food delivery.

Nevertheless, their positive contributions were partly offset by the share price corrections in some other names, particularly three healthcare companies in China that met with large profit-taking pressures during the month. We have taken measures to adjust our portfolio and focus on the steadier, high-quality players in the healthcare sector. The draggers in the month also include two semiconductor companies as well as a mining company with new energy-related exposure.

Key position changes:

During the month, we continued to adjust our portfolio to build a more robust and quality portfolio that would make it well-situated for the prospective macro recovery in China. As mentioned earlier, we have adjusted our holdings in the healthcare sector, which are now more focused and include a leading medical device producer. We have also reduced our exposure to the semiconductor names. On the other hand, we have increased our positions in the financial and internet companies, with a view to better capture their highly visible growth outlook in the year ahead.

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MANAGER'S REPORT (Continued)

Outlook

For the whole year of 2022, our Fund was down 31.5%, as the solid rebound in the last two months of the year was not able to compensate for the losses in the earlier part of the year, which mainly suffered from the decline in some names that were hit by a weaker-than-expected demand in the consumer electronics sector and a slowdown in the new energy-related sector.

However, we remain confident that 2023 will be a year of recovery for China and believe there is still an upside on the back of the low valuations and prospective corporate earnings upgrades. In the meantime, we have adjusted our portfolio to focus on high-quality names – particularly in the consumption, financial, and technology sectors that gear toward the macro recovery and with the ability to deliver long-term, sustainable returns. We remain diligent in managing our portfolio, with a view to becoming your long-term companion to capture the growing prosperity of the China market.

Value Partners Limited

24 April 2023

Sources:

1. MSCI, 31 December 2022
2. China Logistics Information Center, 31 December 2022
3. National press and publication administration, 28 December 2022

All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg (Data computed in US\$ terms on NAV-to-NAV basis with dividends reinvested) as at 31 December 2022. Performance data is net of all fees.

Individual stock performance is not indicative of fund performance.

The views expressed are the views of Value Partners Limited only and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All materials have been obtained from sources believed to be reliable, but their accuracy is not guaranteed. This material contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

MANAGER’S REPORT (Continued)

Top 5 securities holdings as at 31 December 2022

Stock	Industry	Valuation (2023 Estimates)	Remarks
<p>Pinduoduo (Code: PDD US)</p> <p>Market cap: US\$103.1 billion</p>	Retailing	<p>Price: USD81.55 P/E: N/A P/B: 7.4x Yield: 0.0%</p>	<p>Pinduoduo operates an e-commerce platform, which offers value-for-money merchandise and interactive shopping options. Resembling a virtual bazaar, the platform sells a suite of product categories from apparel and shoes to fresh produce and electronic appliances.</p>
<p>Tencent Holdings (Code: 700 HK)</p> <p>Market cap: US\$410.0 billion</p>	Media and entertainment	<p>Price: HK\$317.23 P/E: 22.4x P/B: 3.0x Yield: 0.5%</p>	<p>Tencent is a leading provider of online games, premium messaging services, internet value-added services, and advertising and e-commerce services in China. By leveraging its large active user base, it offers good long-term monetization potential. Tencent’s largest online user platform allows it to monetize other services such as payment and performance ads, while its strength in mobile and PC gaming offers long-term growth opportunities.</p>
<p>Meituan (Code: 3690 HK)</p> <p>Market cap: US\$138.6 billion</p>	Retailing	<p>Price: HK\$174.7 P/E: N/A P/B: 7.0x Yield: 0.0%</p>	<p>Meituan is China’s group buying website offering food delivery and hotel booking services at the same time. Established in Beijing and listed in Hong Kong, Meituan has grown as one of China’s biggest e-commerce platforms.</p> <p>China’s addressable consumer services market offers one of the most visible growth prospects within the Internet sector. Meituan’s leading position in multiple high-frequency categories and a large user base of over 650 million provide good cross-selling opportunities.</p>

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MANAGER'S REPORT (Continued)

Top 5 securities holdings as at 31 December 2022 (Continued)

Stock	Industry	Valuation (2023 Estimates)	Remarks
East Money Information (Code: 300059 CH) Market cap: US\$37.2 billion	Diversified financials	Price: CNY19.4 P/E: 24.5x P/B: 3.7x Yield: 0.4%	East Money is an online securities firm with a one-stop financial ecosystem. It has over 100 million users. It has a distinctive, comprehensive business model that creates a financial ecosystem with strong client traffic and stickiness to monetize. East Money has been gaining market share in brokerage and mutual fund AUM from traditional brokers. The company is also a key beneficiary of China's wealth management development trend, which is supported by the growing household financial assets and needs to diversify away from property investments.
Montage Technology Co Ltd (Code: 688008 CH) Market cap: US\$10.3 billion	Semiconductors and semiconductor equipment	Price: CNY62.60 P/E: 39.6x P/B: 6.5x Yield: 0.9%	Shanghai-based Montage Technology is a leading fabless semi company that provides high-performance IC-based solutions for cloud computing and data center markets. The company provides earnings visibility, driven by DRAM and CPU technology migration.

Note: The above investments made up 27.9% of Value Partners Chinese Mainland Focus Fund as at 31 December 2022. The stock prices are based on the closing of 31 December 2022.

Individual stock performance/yield is not necessarily indicative of overall fund performance.

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MANAGER'S REPORT (Continued)

Chinese Mainland Focus Fund - NAV as at 31 December 2022

Classes	NAV per unit
Class A	USD60.32
Class A HKD	HKD5.90
Class A AUD Hedged	AUD5.65
Class A CAD Hedged	CAD5.76
Class A GBP Hedged	GBP5.72
Class A NZD Hedged	NZD5.72
Class A RMB Hedged	RMB8.19
Class X	USD6.62

Since launch return From 27 November 2003 to 31 December 2022



All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg (Data computed in US\$ terms on NAV-to-NAV basis with dividends reinvested) as at 31 December 2022. Performance data is net of all fees. All indices are for reference only.

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STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

Manager's responsibilities

The Manager of the Chinese Mainland Focus Fund (the "Sub-fund") is required by the Hong Kong Code on Unit Trusts and Mutual Funds established by the Hong Kong Securities and Futures Commission and the trust deed dated 21 June 2000, as amended from time to time (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-fund will continue in operation unless it is inappropriate to presume this.

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

Trustee's responsibilities

The Trustee of the Sub-fund is required to:

- ensure that the Sub-fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Sub-fund.

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TRUSTEE'S REPORT TO THE UNITHOLDERS OF VALUE PARTNERS INTELLIGENT FUNDS – CHINESE MAINLAND FOCUS FUND

We hereby confirm that, in our opinion, the Manager has in all material respects, managed the Chinese Mainland Focus Fund (the "Sub-fund") in accordance with the provisions of the Trust Deed dated 21 June 2000 and supplemental Trust Deeds dated 22 October 2001, 3 November 2003, 10 November 2003 and 10 December 2004 and the Deed of Substitution dated 31 May 2005 and supplemental Trust Deed to the Deed of Substitution dated 30 March 2007, 24 June 2011 and 25 June 2013 and the Deed of Retirement and Appointment of Trustee and Variation dated 28 August 2018 of the Sub-fund for the year ended 31 December 2022.

For and on behalf of
HSBC Trustee (Cayman) Limited

Trustee
24 April 2023

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INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF VALUE PARTNERS INTELLIGENT FUNDS – CHINESE MAINLAND FOCUS FUND (THE "SUB-FUND")

(A Cayman Islands Unit Trust)

Report on the audit of financial statements

Opinion

We have audited the financial statements of Chinese Mainland Focus Fund (the "Sub-fund"), a sub-fund of Value Partners Intelligent Funds, set out on pages 16 to 63, which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity/net assets attributable to unitholders and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-fund as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKASs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Sub-fund in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The Sub-fund may translate these financial statements and our auditors' report from English to Chinese. We have not been engaged to perform any procedures over the translation. In the event of any inconsistencies between the English and the Chinese versions of the financial statements and our auditors' report, the English version shall prevail.

Information other than the financial statements and auditors' report thereon

The Manager and the Trustee of the Sub-fund are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditors' 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.

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF VALUE PARTNERS INTELLIGENT FUNDS –
CHINESE MAINLAND FOCUS FUND (THE "SUB-FUND") (Continued)**

(A Cayman Islands Unit Trust)

Report on the audit of financial statements (Continued)

***Information other than the financial statements and auditors' report thereon
(Continued)***

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the 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 and for such internal control as the Manager and the Trustee of the Sub-fund 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 intend to liquidate the Sub-fund or to cease operations, or have no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with our terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF VALUE PARTNERS INTELLIGENT FUNDS – CHINESE MAINLAND FOCUS FUND (THE "SUB-FUND") (Continued)

(A Cayman Islands Unit Trust)

Report on the audit of financial statements (Continued)

Auditors' 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-fund have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed, as amended, and the relevant disclosure provisions of Appendix E of the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Sub-fund to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF VALUE PARTNERS INTELLIGENT FUNDS –
CHINESE MAINLAND FOCUS FUND (THE "SUB-FUND") (Continued)**

(A Cayman Islands Unit Trust)

Report on the audit of financial statements (Continued)

Auditors' 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 provisions of the Trust Deed, as amended, 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 provisions of the Trust Deed, as amended, and the relevant disclosure provisions of Appendix E of the SFC Code.

KPMG

Cayman Islands
24 April 2023

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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 US\$	2021 US\$
Assets			
Financial assets at fair value through profit or loss	5,9(d),9(f),11	156,971,035	238,281,014
Interest and other receivables		161	80,693
Amounts due from unitholders		99,038	215,698
Cash and cash equivalents	4,9(d)	<u>708,300</u>	<u>1,364,233</u>
Total assets		<u>157,778,534</u>	<u>239,941,638</u>
Liabilities			
Financial liabilities at fair value through profit or loss	5,11	41	161
Bank overdraft	4,9(d)	3,596,620	321,919
Amounts due to unitholders		360,350	273,297
Management fees payable	9(a)	157,303	246,107
Trustee and fund administration fees payable	9(c)	22,267	26,322
Accrued expenses and other payables		<u>271,114</u>	<u>131,255</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>4,407,695</u>	<u>999,061</u>
Represented by:			
Net Assets attributable to unitholders	10	<u>153,370,839</u>	<u>238,942,577</u>

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STATEMENT OF FINANCIAL POSITION (Continued)

AS AT 31 DECEMBER 2022

	Note	2022 US\$	2021 US\$
Total number of units in issue:			
- Class A	9(e),10	2,527,110	2,695,574
- Class A HKD	10	479,689	426,927
- Class A AUD Hedged	10	88,649	35,501
- Class A CAD Hedged	10	1,248	1,248
- Class A RMB Hedged	9(e),10	6,320	-
- Class A GBP Hedged	10	706	706
- Class A NZD Hedged	10	1,342	1,342
- Class X	10	31,326	85,658
- Class Z	10	-	1,000
Net asset value per unit:			
- Class A	10	USD 60.32	USD 88.07
- Class A HKD	10	HKD 5.90	HKD 8.61
- Class A AUD Hedged	10	AUD 5.65	AUD 8.48
- Class A CAD Hedged	10	CAD 5.76	CAD 8.52
- Class A RMB Hedged	10	RMB 8.19	RMB -
- Class A GBP Hedged	10	GBP 5.72	GBP 8.51
- Class A NZD Hedged	10	NZD 5.72	NZD 8.49
- Class X	10	USD 6.62	USD 9.55
- Class Z	10	USD -	USD 8.98

Approved and authorised for issue by the Manager and the Trustee on 24 April 2023.

Signed by:

Value Partners Limited, Manager

HSBC Trustee (Cayman) Limited, Trustee

The notes on pages 23 to 63 form part of these financial statements.

CHINESE MAINLAND FOCUS FUND

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	<i>Note</i>	2022 US\$	2021 US\$
Interest income	9(d)	49,630	9,530
Dividend income		1,195,371	1,352,122
Net losses from financial assets and financial liabilities at fair value through profit or loss	6, 9(f)	(69,059,502)	(33,208,151)
Net foreign exchange losses		(759,294)	(724,648)
Other income		<u>9,016</u>	<u>-</u>
Net investment loss		<u>(68,564,779)</u>	<u>(32,571,147)</u>
Management fees	9(a)	(2,052,369)	(3,141,041)
Transaction costs	9(d), 12, 13	(1,112,786)	(1,115,970)
Trustee and fund administration fees	7, 9(c)	(226,500)	(366,466)
Professional fees	9(d)	(12,570)	(77,426)
Auditors' remuneration		(39,087)	(39,588)
Interest expenses	9(d)	(174,273)	(102,359)
Bank charges	9(d)	(38,251)	(47,977)
Annual fees		(4,041)	(3,636)
Other operating expenses		<u>(76,821)</u>	<u>(94,214)</u>
Operating expenses		<u>(3,736,698)</u>	<u>(4,988,677)</u>
Loss before taxation		(72,301,477)	(37,559,824)
Taxation	8	<u>(76,087)</u>	<u>(108,883)</u>
Net loss and total comprehensive income for the year		<u>(72,377,564)</u>	<u>(37,668,707)</u>

The notes on pages 23 to 63 form part of these financial statements.

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 US\$	2021 US\$
Balance as at 1 January	238,942,577	231,055,521
Net loss and total comprehensive income for the year	(72,377,564)	(37,668,707)
Issuance of redeemable units		
- Class A	16,107,105	108,884,290
- Class A HKD	164,616	578,772
- Class A AUD Hedged	240,963	240,842
- Class A CAD Hedged	-	9,908
- Class A GBP Hedged	-	9,846
- Class A NZD Hedged	-	9,872
- Class A RMB Hedged	9,981	-
- Class X	45,219	969,926
- Class Z	-	10,000
	16,567,884	110,713,456
Redemption of redeemable units		
- Class A	(29,198,069)	(64,952,876)
- Class A HKD	(116,789)	(82,175)
- Class A AUD Hedged	(4,663)	(9,521)
- Class Z	(6,080)	-
- Class X	(436,457)	(113,121)
	(29,762,058)	(65,157,693)
Net (decrease)/increase from unit transactions	(13,194,174)	45,555,763
Balance as at 31 December	153,370,839	238,942,577

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Number of units	
	2022	2021
Class A		
As at 1 January	2,695,574	2,276,519
Issuance of redeemable units	243,988	1,089,523
Redemption of redeemable units	(412,452)	(670,468)
As at 31 December	<u>2,527,110</u>	<u>2,695,574</u>
Class A HKD		
As at 1 January	426,927	-
Issuance of redeemable units	202,002	501,075
Redemption of redeemable units	(149,240)	(74,148)
As at 31 December	<u>479,689</u>	<u>426,927</u>
Class A AUD Hedged		
As at 1 January	35,501	-
Issuance of redeemable units	54,399	37,112
Redemption of redeemable units	(1,251)	(1,611)
As at 31 December	<u>88,649</u>	<u>35,501</u>
Class A CAD Hedged		
As at 1 January	1,248	-
Issuance of redeemable units	-	1,248
Redemption of redeemable units	-	-
As at 31 December	<u>1,248</u>	<u>1,248</u>
Class A RMB Hedged		
As at 1 January	-	-
Issuance of redeemable units	6,320	-
Redemption of redeemable units	-	-
As at 31 December	<u>6,320</u>	<u>-</u>

CHINESE MAINLAND FOCUS FUNDA Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(Continued)**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Number of units	
	2022	2021
Class A GBP Hedged		
As at 1 January	706	-
Issuance of redeemable units	-	706
Redemption of redeemable units	-	-
	<u>706</u>	<u>706</u>
As at 31 December	<u>706</u>	<u>706</u>
Class A NZD Hedged		
As at 1 January	1,342	-
Issuance of redeemable units	-	1,342
Redemption of redeemable units	-	-
	<u>1,342</u>	<u>1,342</u>
As at 31 December	<u>1,342</u>	<u>1,342</u>
Class X		
As at 1 January	85,658	-
Issuance of redeemable units	6,516	96,992
Redemption of redeemable units	(60,848)	(11,334)
	<u>31,326</u>	<u>85,658</u>
As at 31 December	<u>31,326</u>	<u>85,658</u>
Class Z		
As at 1 January	1,000	-
Issuance of redeemable units	-	1,000
Redemption of redeemable units	(1,000)	-
	<u>-</u>	<u>1,000</u>
As at 31 December	<u>-</u>	<u>1,000</u>

The notes on pages 23 to 63 form part of these financial statements.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	<i>Note</i>	2022 US\$	2021 US\$
Operating activities			
Interest received		49,501	9,535
Interest paid		(151,646)	(102,359)
Dividends received (net of withholding tax)		1,119,284	1,243,239
Other income received		9,016	–
Proceeds from sale of investments		311,044,174	333,959,794
Payments on purchase of investments		(298,793,817)	(362,047,932)
Operating expenses paid		<u>(4,216,685)</u>	<u>(19,735,618)</u>
Net cash generated from/(used in) operating activities		----- 9,059,827	----- (46,673,341)
Financing activities			
Proceeds from issuance of redeemable units		16,684,544	111,209,038
Payments on redemption of redeemable units		<u>(29,675,005)</u>	<u>(65,629,125)</u>
Net cash (used in)/generated from financing activities		----- (12,990,461)	----- 45,579,913
Net decrease cash and cash equivalents		(3,930,634)	(1,093,428)
Cash and cash equivalents (net of bank overdraft) as at 1 January		<u>1,042,314</u>	<u>2,135,742</u>
Cash and cash equivalents (net of bank overdraft) as at 31 December	4	<u><u>(2,888,320)</u></u>	<u><u>1,042,314</u></u>

The notes on pages 23 to 63 form part of these financial statements.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

Value Partners Intelligent Funds (the “Trust”) is an open-ended umbrella unit trust established under the laws of the Cayman Islands pursuant to a Trust Deed dated 21 June 2000, as amended from time to time (the “Trust Deed”). The Trust was registered under the Mutual Funds Act of the Cayman Islands on 30 June 2000.

The Trust issues redeemable units in various sub-funds and as at 31 December 2022, the Sub-funds include the China Convergence Fund, JA-VP China New Century Fund, Chinese Mainland Focus Fund. The China Convergence Fund, JA-VP China New Century Fund and Chinese Mainland Focus Fund commenced operations on 14 July 2000, 7 March 2002 and 27 November 2003 respectively. Chinese Mainland Focus Fund and China Convergence Fund are authorised in Hong Kong and available to the general public in Hong Kong. The JA VP China New Century Fund is not authorised in Hong Kong and not available to the general public in Hong Kong.

These financial statements have been prepared for the Chinese Mainland Focus Fund (the “Sub-fund”). The financial statements of China Convergence Fund and JA-VP China New Century Fund have been prepared individually and consequently are not included in these financial statements.

As at 31 December 2022 and 2021, the combined net assets of the Trust are as follows:

Name of sub-funds	Combined net assets	
	2022 US\$	2021 US\$
China Convergence Fund	120,418,293	192,485,423
Chinese Mainland Focus Fund	153,370,839	238,942,577
JA-VP China New Century Fund	<u>5,898,425</u>	<u>8,346,877</u>
Value Partners Intelligent Funds	<u>279,687,557</u>	<u>439,774,877</u>

The investment activities of the Sub-fund are managed by Value Partners Limited (the “Manager”) and the administration of the Sub-fund is handled by HSBC Trustee (Cayman) Limited (the “Administrator”) who has delegated its role to HSBC Institutional Trust Service (Asia) Limited.

The Sub-fund is authorised by the Hong Kong Securities and Futures Commission (the “SFC”) under Section 104 of the Hong Kong Securities and Futures Ordinance. The Sub-fund is also recognised by the Monetary Authority of Singapore as a restricted scheme under paragraph 3 of the Sixth Schedule of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB"), the relevant disclosure provisions of the Trust Deed, and the relevant disclosure requirements of the Hong Kong Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the SFC. A summary of the significant accounting policies adopted by the Sub-fund is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Sub-fund. Note 2(d) 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 accounting period reflected in these financial statements.

(b) Basis of preparation

The measurement currency of the financial statements is United States dollars ("US\$" or "USD") as most of the transactions are denominated in USD as well as Hong Kong dollars ("HKD") which is pegged to the USD. Units of the Sub-fund are issued and redeemed in USD, Australian dollars ("AUD"), Canadian dollars ("CAD"), Great Britain Pound ("GBP"), Hong Kong dollars ("HKD"), New Zealand dollars ("NZD") and Renminbi ("RMB") and any distributions to investors will be made on the same respective currency of each class.

The financial statements are presented in USD which is the presentation currency of the Sub-fund.

The financial statements are prepared on a fair value basis for financial instruments at fair value through profit or loss ("FVTPL") and derivative financial instruments. Other financial assets and financial liabilities are stated at amortised cost or redemption amount (redeemable units).

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of financial position, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of financial position that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement relate to the determination of fair value of suspended equities with significant unobservable inputs are disclosed in Note 11.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****(c) Foreign currency translation**

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to USD at the foreign currency closing exchange rate ruling at the balance sheet date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to USD at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to trading investments are included in gains and losses on investments. All other foreign currency exchange differences relating to monetary items, including cash and cash equivalents are presented separately in the statement of comprehensive income.

(d) Changes in accounting policies

The IASB has issued a number of new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Sub-fund. None of these developments have had a material effect on how the Sub-fund's results and financial position for the current or prior periods have been prepared or presented.

The Sub-fund has not applied any new standard or interpretation that is not yet effective for the current accounting period (see Note 14).

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Financial assets and financial liabilities

(i) *Recognition and initial measurement*

The Sub-fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular purchase of financial assets is recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

(ii) *Classification and subsequent measurement*

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****(e) Financial assets and financial liabilities (Continued)****(ii) Classification and subsequent measurement (Continued)***Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Sub-fund considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Sub-fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the Manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, as consistent with the Sub-fund's continuing recognition of the assets.

The Sub-fund has determined that it has two business models.

- Held-to-collect business model: this includes amounts due from brokers, amounts due from unitholders, interest, dividends and other receivables and cash and cash equivalents. These financial assets are held to collect contractual cash flow.
- Other business model: this includes equity securities and derivative financial instruments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Financial assets and financial liabilities (Continued)

(ii) *Classification and subsequent measurement (Continued)*

Assessment whether contractual cash flows are SPPI

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

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

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Sub-fund's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for the time value of money (e.g. periodical reset of interest rates).

The Sub-fund classifies its investments based on the business model and contractual cash flows assessment. Accordingly, the Sub-fund classifies all of its investments, including equity securities and derivative financial instruments into financial assets or financial liabilities at FVTPL category. Financial assets measured at amortised cost include amounts due from brokers, amounts due from unitholders, interest, dividends and other receivables and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****(e) Financial assets and financial liabilities (Continued)****(ii) Classification and subsequent measurement (Continued)***Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Sub-fund were to change its business model for managing the financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at FVTPL:

- Held for trading: securities sold short and derivative financial instruments.

Financial liabilities at amortised cost:

- This includes bank overdraft, amounts due to unitholders, management fees payable, performance fees payable, trustee and fund administration fees payable, accrued expenses and other payables.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Financial assets and financial liabilities (Continued)

(iii) *Fair value measurement principles*

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

When available, the Sub-fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as “active” if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The sub-fund measures instruments quoted in an active market at a last traded price, as long as the price is within the bid-ask spread.

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

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

Net gains and losses on investments are included in the statement of comprehensive income.

(iv) *Amortised cost measurement*

The “amortised cost” of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****(e) Financial assets and financial liabilities (Continued)****(v) Impairment**

The Sub-fund recognises loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost.

The Sub-fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-fund's historical experience and informed credit assessment and including forward-looking information.

The Sub-fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Sub-fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Sub-fund in full, without recourse by the Sub-fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Sub-Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Sub-fund considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Financial assets and financial liabilities (Continued)

(v) *Impairment (Continued)*

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-fund is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Sub-fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Sub-fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****(e) Financial assets and financial liabilities (Continued)****(vi) Derecognition**

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

Financial assets and financial liabilities at fair value through profit or loss that are sold are derecognised and corresponding receivables from/payable to the brokers are recognised as of the date the Sub-fund commits to sell the assets or liabilities.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

On derecognition of a financial asset, the difference between the carrying value of the asset and the consideration received is recognised in the statement of comprehensive income.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Sub-fund has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Cash and cash equivalents

Cash comprises cash held with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank overdrafts that are repayable on demand form an integral part of the Sub-fund's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Securities sold short and associated securities borrowing

Securities sold short are those positions where the Sub-fund has sold a security that it does not own in anticipation of a decline in the market value of the security and are classified as financial liabilities at fair value through profit or loss. To enter a short sale, the Sub-fund may need to borrow the security for delivery to the buyer. On each day, obligations to deliver securities borrowed by the Sub-fund to fulfil its short sale contracts are marked to market and an unrealised gain or loss is recorded in net gains/(losses) from financial assets and financial liabilities at fair value through profit or loss in the statement of comprehensive income. While the transaction is open, the Sub-fund will also incur an expense for any dividends or interest that will be paid to the lender of the securities.

(h) Interest income and expense

Interest income and expense presented in the statement of comprehensive income comprises interest from cash and cash equivalents, interest on bank overdraft, and interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial liability or financial asset.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****(i) Dividend income and expense**

Dividend income relating to exchange-traded equity securities and dividend expense relating to securities sold short are recognised in the statement of comprehensive income on the ex-dividend date.

In some cases, the Sub-fund may choose to receive dividends in the form of additional shares rather than cash. In such cases the Sub-fund recognises the dividend income for the amount of the cash dividend alternative with the corresponding debit treated as an additional investment.

(j) Expenses

All expenses are recognised in the statement of comprehensive income on an accrual basis.

(k) Foreign exchange gains and losses

Foreign exchange gains and losses on financial instruments at fair value through profit or loss are recognised together with other changes in the fair value. Included in the statement of comprehensive income line item, net foreign exchange losses are foreign exchange gains and losses on monetary financial assets and financial liabilities other than those classified at fair value through profit or loss.

(l) Taxation

Under the current system of taxation in the Cayman Islands, the Sub-fund is exempt from paying taxes on income, profits or capital gains. The Trust has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from tax in the Cayman Islands.

Capital gains, dividend and interest income received by the Sub-fund may be subject to withholding tax imposed in the country of origin. Capital gains and investment income are recorded gross of such taxes and the withholding tax is recognised in the statement of comprehensive income as incurred. Movement in deferred tax liabilities arising from taxable temporary differences on unrealised gains on investments and their tax bases are recognised in the statement of comprehensive income. Refer to Note 8 for more details.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Redeemable units

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

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

- it entitles the holder to a pro rata share of the Sub-fund's net assets in the event of Sub-fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Sub-fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-fund over the life of the instrument.

As at year ended 31 December 2022, the Sub-fund has eight (2021: eight) classes of redeemable units in issue, namely Class A, Class X, Class A HKD, Class A AUD Hedged, Class A CAD Hedged, Class A GBP Hedged, Class A NZD Hedged and Class A RMB Hedged. Class A RMB Hedged has initially established on 22 February 2022. Class Z was created for institutional clients only and was fully redeemed in 2022. Class A AUD Hedged, Class A CAD Hedged, Class A GBP Hedged, Class A NZD Hedged and Class A RMB Hedged are collectively referred to as "Class A Hedged". All are the most subordinate classes of financial instruments issued by the Sub-fund. They rank *pari passu* in all material respects and have the same terms and conditions other than different management fees rates, performance fees rate and minimum subsequent subscription and redemption. The redeemable units provide unitholders with the right to require redemption for cash at a value proportionate to the unitholders' share in the Sub-fund's net assets at each redemption date, and also in the event of the Sub-fund's liquidation. The redeemable units of the Sub-fund are classified as financial liabilities as at 31 December 2022 are measured at the present value of the redemption amounts. The change in classification of the redeemable units does not have a significant impact to the understanding of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****(m) Redeemable units (Continued)***Repurchase of redeemable units*

When redeemable units recognised as financial liability (2021: liability) are redeemed, the amount paid on the redemption of the units is presented as a deduction from net assets attributable to unitholders (2021: total equity).

(n) Related parties

- (1) 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.
- (2) 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 subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Sub-fund or an entity related to the Sub-fund.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1);
 - (vii) A person identified in (1)(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.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT

The Sub-fund aims to achieve medium to long-term capital appreciation by investing primarily in investments which are related to mainland China. The Sub-fund will focus primarily on mainland China and at least 70% of the Sub-fund's latest available NAV will be on investments related to mainland China at all times. The Sub-fund may also invest, on an ancillary basis (up to 30% of the Sub-fund's latest available NAV), in other markets where opportunities can be identified.

The Sub-fund invests in equity securities and investment funds and therefore is exposed to market risk (including foreign exchange risk, cash flow interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments held.

The Sub-fund's overall financial risk management program focuses on the analysis, evaluation and management of financial risks and seeks to minimise potential adverse effects on the Sub-fund's financial performance.

The risk and respective risk management policies employed by the Sub-fund to manage these risks are discussed below:

(a) Market risk

(i) Foreign exchange risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-fund's overall currency positions are monitored on a daily basis by the Manager.

As at 31 December 2022, had the USD weakened by 5% (2021: 0.5%) in relation to respective currencies, with all other variables held constant, the net asset value would have increased by the amounts shown below. The analysis was performed on the same basis for net foreign currency exposures as at 31 December 2021.

CHINESE MAINLAND FOCUS FUND

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

	Net foreign currency exposures US\$	Change in net asset value if the USD weakened by 5% US\$
As at 31 December 2022		
Australian dollar	3,526	176
British pounds	3	-
Chinese renminbi	86,373,951	4,318,697
Korean won	7	-
New Taiwan dollar	-	-
	<u>86,377,487</u>	<u>4,318,873</u>
	Net foreign currency exposures US\$	Change in net asset value if the USD weakened by 0.5% US\$
As at 31 December 2021		
Australian dollar	(418)	(2)
British pounds	3	-
Chinese renminbi	157,132,900	785,664
Korean won	8	-
New Taiwan dollar	36	-
	<u>157,132,529</u>	<u>785,662</u>

As the HKD is pegged to the USD, the Sub-fund does not expect any significant movements in HKD/USD exchange rate and accordingly the HKD foreign currency assets and liabilities have been excluded on the above analysis. A 5% (2021: 0.5%) appreciation of the USD against the above currencies would have resulted in an equal but opposite effect to the amounts shown above on the basis that all other variables remain constant.

CHINESE MAINLAND FOCUS FUND

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) 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, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-fund trades in financial instruments, taking positions in traded and over-the-counter instruments, including derivatives, to take advantage of market movements.

All securities investments present a risk of loss of capital. The Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits stated in the Explanatory Memorandum. The Sub-fund's overall market positions are monitored on a daily basis by the Manager.

As at 31 December 2022 and 2021, the Sub-fund's significant market exposures of listed equities securities and participation notes and estimated market sensitivity were as follows:

	Fair value <i>US\$</i>	Relevant benchmark index for the Sub-fund	Reasonably possible change of the relevant benchmark index	Estimated change in net asset value <i>US\$</i>
As at 31 December 2022				
Financial assets at fair value through profit or loss	156,964,077	MSCI China Index	+/-30%	+/- 41,420,433
As at 31 December 2021				
Financial assets at fair value through profit or loss	238,279,684	MSCI China Index	+/-30%	+/-58,532,453

NOTES TO THE FINANCIAL STATEMENTS (Continued)**3 FINANCIAL RISK MANAGEMENT (Continued)****(a) Market risk (Continued)****(ii) Price risk (Continued)**

The Sub-fund is subject to certain inherent risks arising from selling securities short. The ultimate cost to the Sub-fund to acquire these securities may exceed the liabilities reflected in these financial statements.

There were no significant concentrations of risk as at 31 December 2022 and 2021. There is no exposure to any individual investments exceeded 10% of the net assets attributable to unitholders or equity as at 31 December 2022 and 2021.

(iii) Interest rate risk

The majority of the Sub-fund's financial assets and liabilities are non-interest bearing. As a result, the Sub-fund is not subject to significant amount of risk due to fluctuations in the prevailing levels of market interest rates.

The Sub-fund's interest rate risk arises from bank balances of US\$ 708,300 (2021: US\$1,364,233) and bank overdraft of US\$ 3,596,620 (2021: US\$321,919). As at 31 December 2022, the maturity dates of the majority of interest-bearing assets are within 3 months. The bank balances exposes the Sub-fund to cash flow interest rate risk. The majority of the Sub-fund's financial assets and liabilities are non-interest bearing. As a result, the Sub-fund has limited exposure to interest rate risk and no sensitivity analysis is presented.

CHINESE MAINLAND FOCUS FUND

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All transactions in listed securities are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the Sub-fund's custodians have received payments.

For purchase, payments are made once securities have been received by the Sub-fund's custodians. The trade will fail if either party fails to meet their obligation.

The Manager monitors the Sub-fund's credit position on a monthly basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Amounts arising from ECLs

Impairment on amounts due from unitholders, interest and other receivables and cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Sub-fund considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Sub-fund monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Sub-fund supplements this by reviewing changes in bond yields, where available, credit default swap ("CDS") prices together with available press and regulatory information about counterparties.

12-month and lifetime probabilities of default are based on historical data supplied by Standard & Poor's for each credit rating and are recalibrated based on current CDS prices. Loss given default parameters generally reflect an assumed recovery rate of 45%. However, if the asset were credit-impaired, then the estimate of loss would be based on a specific assessment of expected cash shortfalls and on the original effective interest rate.

For the years ended 31 December 2022 and 2021, the Manager considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. There is no impairment allowance recognised on amounts due from brokers, amounts due from unitholders, interest, dividends and other receivables and cash and cash equivalents. There were no loss allowance recognised by the Sub-fund (2021:Nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)**3 FINANCIAL RISK MANAGEMENT (Continued)****(b) Credit risk (Continued)***Amounts arising from ECL (Continued)*

The table below shows the major counterparties at the date of the statement of financial position. The credit ratings are issued by Moody's:

Counterparty	Credit rating	2022 US\$	2021 US\$
Bank A	Aa3	708,300	1,042,314
Custodian A	Aa3	<u>156,970,994</u>	<u>238,280,853</u>
		<u>154,082,674</u>	<u>239,323,167</u>

The Sub-fund may invest in debt securities which are unrated or rated with low credit ratings. These securities are subject to greater risk of loss of principal and interest than securities with higher credit ratings. The Sub-fund may also invest in emerging markets where the clearing, settlement and registration systems available to effect trades are less developed than those in more mature markets. These can result in delays and other difficulties in settling trades and registering transfers of securities.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Sub-fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Sub-fund.

The markets in which the Sub-fund invests may be relatively illiquid and the liquidity of these markets generally has fluctuated substantially over time. Investment of the Sub-fund's assets in relatively illiquid securities may restrict the ability of the Sub-fund to dispose of its investments at a price and time that it wishes. The risk of illiquidity also arises in the case of over-the-counter transactions. There is no regulated market for such transactions, and the prices will be established solely by dealers in those transactions. The Manager monitors the liquidity of the Sub-fund by conducting liquidity testing on the investment portfolio on a monthly and ad-hoc basis.

The Sub-fund is exposed to daily cash redemption of units. The Manager considered that there is no significant liquidity risk on redemption of units as, according to the provisions of the Trust Deed the Manager may limit the total number of units redeemed on any dealing day to 10% of the total number of units in issue. The contractual maturity of all other liabilities is less than one month.

(d) Offsetting financial assets and financial liabilities

None of the financial assets and financial liabilities is offset in the statement of financial position.

The enforceable master netting arrangements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following on event of default, insolvency or bankruptcy of the Sub-fund or its counterparties. In addition, the Sub-fund and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The gross amounts of recognised financial assets and financial liabilities presented in the statement of financial position have been measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
3 FINANCIAL RISK MANAGEMENT (Continued)
(d) Offsetting financial assets and financial liabilities (Continued)
As at 31 December 2022
Financial assets subject to enforceable master netting arrangements

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Amounts of financial instruments (including non-cash collateral)	Cash collateral received	Net amount
	US\$	US\$	US\$	US\$	US\$	US\$
Derivative financial, instruments:						
- Forward currency forward contracts						
- Counterparty A	6,958	-	6,958	(41)	-	6,917
- Participation note						
- Counterparty B	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial liabilities subject to enforceable master netting arrangements

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Amounts of financial instruments (including non-cash collateral)	Cash collateral pledged	Net amount
	US\$	US\$	US\$	US\$	US\$	US\$
Derivative financial, instruments:						
- Forward currency forward contracts						
- Counterparty A	(41)	-	(41)	41	-	-
	<u>(41)</u>	<u>-</u>	<u>(41)</u>	<u>41</u>	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(d) Offsetting financial assets and financial liabilities (Continued)

As at 31 December 2021

Financial assets subject to enforceable master netting arrangements

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Amounts of financial instruments (including non-cash collateral)	Cash collateral received	Net amount
	US\$	US\$	US\$	US\$	US\$	US\$
Derivative financial, instruments:						
- Forward currency forward contracts						
- Counterparty A	1,330	–	1,330	(161)	–	1,169
- Participation note						
- Counterparty B	17,827,934	–	17,827,934	–	–	17,827,934
	<u>17,827,934</u>	<u>–</u>	<u>17,827,934</u>	<u>–</u>	<u>–</u>	<u>17,827,934</u>

Financial liabilities subject to enforceable master netting arrangements

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Amounts of financial instruments (including non-cash collateral)	Cash collateral pledged	Net amount
	US\$	US\$	US\$	US\$	US\$	US\$
Derivative financial, instruments:						
- Forward currency forward contracts						
- Counterparty A	(161)	–	(161)	161	–	–
	<u>(161)</u>	<u>–</u>	<u>(161)</u>	<u>161</u>	<u>–</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(e) Specific instrument

Forward contracts

Forward contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or index at a specified future date for a specified price and may be settled in cash or the underlying financial asset.

Forward contracts result in exposure to market risk based on changes in market prices relative to contracted prices. Market risks arise due to the possible movement in foreign currency exchange rates, indices and securities' values underlying these instruments. In addition, because of the low margin deposit normally required in relation to notional contract sizes, a high degree of leverage may be typical of a forward contract and may result in substantial losses to the Sub-fund. Forward contracts are generally subject to liquidity risk.

The Sub-fund had the following foreign currency forward contracts outstanding at 31 December 2022.

Buy	Sell	Settlement date	Fair value assets US\$	Fair value (liabilities) US\$
As at 31 December 2022				
AUD 493,853	USD 329,310	31 January 2023	6,887	-
CAD 7,086	USD 5,185	31 January 2023	51	-
USD 4,843	GBP 3,978	31 January 2023	-	(41)
NZD 7,569	USD 4,793	31 January 2023	8	-
CNH 51,052	USD 7,345	28 January 2023	12	-
			<u>6,958</u>	<u>(41)</u>
As at 31 December 2021				
USD 9,440	AUD 13,212	31 January 2022	-	(161)
AUD 306,872	USD 221,822	31 January 2022	1,185	-
CAD 10,368	USD 8,085	31 January 2022	58	-
GBP 5,858	USD 7,836	31 January 2022	82	-
NZD 11,100	USD 7,579	28 January 2022	5	-
			<u>1,330</u>	<u>(161)</u>

CHINESE MAINLAND FOCUS FUND

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(e) Specific instrument (Continued)

Participation note

The Fund did not hold any participation note as at 31 December 2022.

As at 31 December 2021

Type of contract	Expiration	Underlying	Long exposure Fair value	Unrealised gain/(loss)
Participation note	25 January 2024	Luoyang Xinqianglian Slewing Bearing Beijing Huafeng Test & Control Technology Co	\$4,262,618	\$487,479
Participation note	22 February 2024	Ltd A Shares Beijing Roborock Technology Co	\$4,281,057	\$924,481
Participation note	22 January 2024	Ltd A Shares Centre Testing International S A Shede Spirits Co	\$3,501,830	\$(330,198)
Participation note	22 January 2024	Ltd A Shares Bloomage Biotechnology	\$2,382,703	\$(299,627)
Participation note	12 February 2024	Ltd A Shares Corp Ltd A Shares	\$2,301,141	\$78,250
Participation note	23 September 2024		\$1,098,585	\$(106,353)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 CASH AND CASH EQUIVALENTS AND BANK OVERDRAFT

	2022 US\$	2021 US\$
Cash held with bank	708,300	1,364,233
Bank overdraft	<u>(3,596,620)</u>	<u>(321,919)</u>
	<u>(2,888,320)</u>	<u>1,042,314</u>

5 FINANCIAL ASSETS /(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 US\$	2021 US\$
Financial assets at fair value through profit or loss		
Listed equity securities	156,964,077	220,451,750
Participation notes	-	17,827,934
Foreign currency forward contracts	<u>6,958</u>	<u>1,330</u>
	<u>156,971,035</u>	<u>238,281,014</u>
Financial liabilities at fair value through profit or loss		
Foreign currency forward contracts	<u>(41)</u>	<u>(161)</u>

CHINESE MAINLAND FOCUS FUND

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 NET LOSSES FROM FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 US\$	2021 US\$
Net losses from financial assets and financial liabilities at fair value through profit or loss		
Net realised (losses)/gains	(49,048,832)	31,259,718
Change in unrealised losses	<u>(20,010,670)</u>	<u>(64,467,869)</u>
	<u><u>(69,059,502)</u></u>	<u><u>(33,208,151)</u></u>

7 TRUSTEE AND FUND ADMINISTRATION FEES

With effect from 30 April 2021, the Trustee is entitled to monthly trustee and fund administration fees which are determined based on the daily net asset value of the Sub-fund as below:

Net asset value	Trustee and fund administration fee per annum shown as % of net asset value
First US\$150 million	0.135%
Next US\$650 million	0.13%
Thereafter	0.125%

The trustee and fund administration fees are subject to a monthly minimum of US\$4,500.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**8 TAXATION**

- (a) There are no taxes on income or gains in the Cayman Islands as the Trust has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all local income, profits and capital gains taxes. Accordingly, no provision for income taxes is included in these financial statements.
- (b) The Profits Tax Exemption for Offshore Funds Ordinance (“the Offshore Funds Ordinance”) came into effect on 10 March 2006 and has been amended on 17 July 2015. Under the Offshore Funds Ordinance, exemption from Hong Kong profits tax is granted to non-resident persons in respect of profits from specified transactions carried out through or arranged by certain specified persons in any year of assessment on or after 1 April 1996.

Effective from 1 April 2019, the Inland Revenue (Profits Tax Exemption for Funds) (Amendment) Ordinance (collectively referred as “the Funds Exemption Ordinances”) provides profits tax exemption for funds whether or not the central management and control of the funds is exercised in Hong Kong subject to certain conditions. The Manager believes that they have implemented steps to enable the Sub-fund to meet the exemption criteria under the Funds Exemption Ordinances. If the Sub-fund does not meet the exemption criteria under the Funds Exemption Ordinances, the Sub-fund is exposed to Hong Kong profits tax at a rate of 16.5% in respect of any profits which arise in or are derived from Hong Kong and which are not capital profits or exempt profits if it is treated as carrying on a trade or business in Hong Kong either on its own account or through any person as an agent.

- (c) 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.

On 14 November 2014, the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC (“SAT”) and the China Securities Regulatory Commission (the “CSRC”) jointly issued 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 QFII and RQFII” (the “Notice”). According to the Notice, amongst other things, QFIIs and RQFIIs, which do not have an establishment or place of business in the PRC or have an establishment or place in the PRC but the income so derived in the PRC is not effectively connected with such establishment, will be temporarily exempt from corporate income tax on gains derived from the transfer of PRC equity investment assets (including China “A” shares) effective from 17 November 2014. Accordingly, as at 31 December 2022 and 2021, the Sub-fund had not made any provision for the tax on capital gains on derivatives instruments linked to “A” shares and China “A” shares on or after 17 November 2014 based on the Notice.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 TAXATION (Continued)

The Sub-fund directly invests in “B” shares of companies listed in the PRC for subscription by foreign investors and may be subject to PRC withholding tax of 10% on dividend income. A 10% withholding tax may also be payable on the capital gains derived from the sale of “B” shares. Under current PRC tax laws, gains derived from the transfer of shares of PRC companies by non-residents should be subject to a withholding tax of 10%, unless exempt under relevant tax treaties. The SAT has remained silent on the collection of withholding tax for capital gains and until further clarification is issued by the SAT, the Manager considers that there is significant uncertainty in respect of whether the Sub-fund has any liability and the extent of such liability with respect to tax on capital gains derived from the sale of PRC “B” shares. In making this assessment, the Manager has considered (i) the current position of the SAT, (ii) the absence of a withholding mechanism of the relevant tax and (iii) current market practice. Accordingly, as at 31 December 2022 and 2021, the Sub-fund had not made any provision for the tax on capital gains on “B” shares based on the above judgments made by the Manager.

The Manager will continually reassess the withholding income tax provisioning approach on an on-going basis taking into account any recent development in the market.

Taxation in statement of comprehensive income represents:

	2022 <i>US\$</i>	2021 <i>US\$</i>
Dividend withholding tax	<u>76,087</u>	<u>108,883</u>

Provision for taxation in the statement of financial position represents:

	2022 <i>US\$</i>	2021 <i>US\$</i>
PRC withholding tax provision for the year	76,087	108,883
Tax paid	<u>(76,087)</u>	<u>(108,883)</u>
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)**9 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS**

The Sub-fund entered into the following significant related party transactions with the Trustee, the Manager and their Connected Persons during the year. Connected Persons are those as defined in the SFC Code issued by the SFC. All transactions during the year between the Sub-fund and the Trustee, the Manager and their Connected Persons were entered into in the ordinary course of business and under normal commercial terms. To the best of the knowledge of the Trustee and the Manager, the Sub-fund did not have any other transactions with Connected Persons except for those disclosed below and elsewhere in these financial statements. The relevant receivables and payables are unsecured, interest-free and repayable on demand.

(a) Management fee

Under the Investment Management Agreement, the Manager receives a management fee monthly in arrears at an annual rate of 1.25%, 1.25% and 0.75% of the total net asset value for Class A units, Class A Hedged units and Class Z units respectively on each valuation day as defined in the Explanatory Memorandum. Class X units is not subject to management fees. Management fees of US\$2,052,369 (2021: US\$3,141,041) were charged to the statement of comprehensive income during the year. Management fees payable of US\$157,303 (2021: US\$246,107) are included in liabilities as at 31 December 2022.

(b) Performance fees

Under the Investment Management Agreement, the Manager is also entitled to a performance fee, calculated at a high-on-high basis, if the net asset value per unit as at the last valuation day of a financial year (prior to the accrual of any performance fee for that financial year) exceeds the higher of:

- (i) the net asset value per unit as at the close of business on the last valuation day in the last financial year in respect of which a performance fee was paid to the Manager in respect of the Sub-fund, after payment of such performance fee; and
- (ii) the initial offer price at which the units were first offered.

The rate of performance fee payable is 15% and is calculated by multiplying this fee rate by the product of the excess of the net asset value per unit (calculated as stated above) and the average of the number of units in issue immediately after each valuation day in the relevant financial year.

No performance fees were charged to the statement of comprehensive income during the year ended 31 December 2022 (2021: US\$Nil). There is no performance fees payable as at 31 December 2022 (2021: US\$Nil).

Class X units is not subject to performance fees.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS (Continued)

(c) Trustee fees and fund administration fees

The Trustee, a licensed trust company incorporated in the Cayman Islands, has certain duties and responsibilities as specified in the Explanatory Memorandum. The Trustee is entitled to receive a trustee fee calculated on the basis described in note 7. Trustee and fund administration fees of US\$226,500 (2021: US\$366,466) were charged to the statement of comprehensive income during the year. Trustee and fund administration fees payable of US\$22,267 (2021: US\$26,322) are included in liabilities as at 31 December 2022.

(d) Balances/transactions with the group companies of the Trustee

During the year, the Custodian of the Sub-fund, HSBC Institutional Trust Services (Asia) Limited, which is a group company of the Trustee of the Sub-fund, charged transaction costs of US\$5,453 (2021: US\$5,828) for handling each purchase or sale of investments.

During the year, the Sub-fund utilised the services of The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), which is a group company of the Trustee of the Sub-fund, in its purchase and sale of investments. Details of such transactions executed and fees paid are set out below:

	Value of transactions executed through HSBC <i>US\$</i>	% of total value of transactions of the Sub-fund	Commission and other fees paid to HSBC <i>US\$</i>	Average commission rate
Year 2022	10,163,136	1.67%	12,966	0.13%
Year 2021	90,286,072	13.11%	130,356	0.14%

The Sub-fund maintains bank accounts with HSBC. The Sub-fund may also maintain cash deposits which were held as collateral for transactions involving borrowed securities with HSBC during the year. No cash deposits were held as collateral as at 31 December 2022 and 2021.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS (Continued)

(d) Balances/transactions with the group companies of the Trustee (Continued)

Other information relating to the balances/transactions with HSBC are set out below:

	2022 <i>US\$</i>	2021 <i>US\$</i>
Investments held with custodian	156,971,035	238,280,853
Bank accounts		
Bank balance	708,300	1,364,233
Bank overdraft	(3,596,620)	(321,919)
Interest income	49,630	9,530
Interest expenses	(174,273)	(102,359)
Bank charges	(38,251)	(47,977)
Professional fees	<u>(9,577)</u>	<u>(27,772)</u>

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS (Continued)

(e) Manager's and its related parties' holding in the Sub-fund

As at 31 December 2022, the Manager held 3,297 units in Class A Hedged (2021: 12,304 units), 31,326 units in Class X (2021: 85,658) and no units in Class Z (2021: 1,000 units) of the Sub-fund. Units held by the related parties of the Manager are listed out below:

	Number of Class A units	
	2022	2021
Directors of the Manager	<u>65,648</u>	<u>65,648</u>
Value Partner Hong Kong Limited	<u>6,320</u>	<u>-</u>

(f) Investment in a fund managed by a related party of the Manager

As at 31 December 2022, the Sub-fund did not hold any investment in any fund managed by the Manager's related party.

During the year ended 31 December 2021, the Sub-fund hold 68,420 units of Value Partners Strategic Equity Fund, a fund managed by a related party of the Manager with fair value of zero and which was terminated on 29 June 2021. The total net losses from the investment of Value Partners Strategic Equity Fund was US\$166,501.

CHINESE MAINLAND FOCUS FUNDA Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****10 REDEEMABLE UNITS IN ISSUE**

	2022	2021
	<i>US\$</i>	<i>US\$</i>
Net assets attributable to unitholders/equity	<u>153,370,839</u>	<u>238,942,577</u>

Number of units in issue as at 31 December

- Class A	2,527,110	2,695,574
- Class A HKD	479,689	426,927
- Class A AUD Hedged	88,649	35,501
- Class A CAD Hedged	1,248	1,248
- Class A RMB Hedged	6,320	-
- Class A GBP Hedged	706	706
- Class A NZD Hedged	1,342	1,342
- Class X	31,326	85,658
- Class Z	<u>-</u>	<u>1,000</u>

Net assets attributable to unitholders

- Class A	152,437,834	237,401,120
- Class A HKD	362,571	471,412
- Class A AUD Hedged	340,456	218,850
- Class A CAD Hedged	5,312	8,355
- Class A RMB Hedged	7,441	-
- Class A GBP Hedged	4,866	8,124
- Class A NZD Hedged	4,866	7,787
- Class X	207,493	817,947
- Class Z	<u>-</u>	<u>8,982</u>

Net asset value per unit

- Class A	USD	60.32	USD	88.07
- Class A HKD	HKD	5.90	HKD	8.61
- Class A AUD Hedged	AUD	5.65	AUD	8.48
- Class A CAD Hedged	CAD	5.76	CAD	8.52
- Class A RMB Hedged	RMB	8.19	RMB	-
- Class A GBP Hedged	GBP	5.72	GBP	8.51
- Class A NZD Hedged	NZD	5.72	NZD	8.49
- Class X	USD	6.62	USD	9.55
- Class Z	USD	<u>-</u>	USD	<u>8.98</u>

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 REDEEMABLE UNITS IN ISSUE (Continued)

The rights attaching to each unit are as follows:

The holders of the units have the right to receive notice of, attend and vote at meetings of the Sub-fund. The holder of each such unit has the right of one vote for each such unit registered in his name. The holders are entitled to receive all dividends declared and paid by the Sub-fund. Upon winding up, the holders are entitled to a return of capital based on the net asset value per unit of the Sub-fund.

In respect of Class A units, any distributable profits of the Sub-fund may be accumulated or distributed by the Manager, in its absolute discretion. Where distributions are made, unless unitholders indicate otherwise to the Manager, any such distributions will automatically be reinvested in further units in the Sub-fund to be issued to such unitholders in proportion to the number of units held by them on the distribution date as defined in the Trust Deed (as amended).

In respect of Class X and Class Z units, the Manager currently does not intend to pay dividends to unitholders. Therefore, any net income and net realized profits attributable to the Class X and Class Z units will be reinvested and reflected in their respective net asset values.

No distribution statement is prepared as no distribution has been made.

The Trust and the Sub-fund do not have any externally imposed capital requirements.

11 FAIR VALUE INFORMATION

The Sub-fund's investments are carried at fair value on the statement of financial position. The carrying amounts of other financial assets and liabilities approximate fair value due to the immediate or short-term nature of these financial instruments.

The Sub-fund's accounting policy on fair value measurements is discussed in Note 2(e)(iii).

The Sub-fund measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 FAIR VALUE INFORMATION (Continued)

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 US\$	Level 2 US\$	Level 3* US\$	Total US\$
As at 31 December 2022				
Financial assets at fair value through profit or loss				
Listed equity securities	156,964,077	-	-	156,964,077
Foreign currency forward contracts	-	6,958	-	6,958
	<u>156,964,077</u>	<u>6,958</u>	<u>-</u>	<u>156,971,035</u>
Financial liabilities at fair value through profit or loss				
Foreign currency forward contracts	-	(41)	-	(41)

* The investment in Peace Mark Holdings Ltd. (1,030,000 shares) and Real Gold Mining Ltd. (1,315,000 shares) as at 31 December 2022 and 2021 are classified as level 3 investments since there is no observable inputs from the market. They are delisted shares and suspended shares respectively and management estimate that the fair value is considered as zero.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 FAIR VALUE INFORMATION (Continued)

	Level 1 US\$	Level 2 US\$	Level 3* US\$	Total US\$
As at 31 December 2021				
Financial assets at fair value through profit or loss				
Listed equity securities	220,451,750	-	-	220,451,750
Participation notes	-	17,827,934	-	17,827,934
Foreign currency forward contracts	-	1,330	-	1,330
	<u>220,451,750</u>	<u>17,829,264</u>	<u>-</u>	<u>238,281,014</u>
Financial liabilities at fair value through profit or loss				
Foreign currency forward contracts	<u>-</u>	<u>(161)</u>	<u>-</u>	<u>(161)</u>

* *The investment in Peace Mark Holdings Ltd. (1,030,000 shares) and Real Gold Mining Ltd. (1,315,000 shares) as at 31 December 2022 and 2021 are classified as level 3 investments since there is no observable inputs from the market. They are delisted shares and suspended shares respectively and management estimate that the fair value is considered as zero.*

There is no transfer between levels for the years ended 31 December 2022 and 2021.

The financial instruments not measured at FVTPL include:

- (i) Cash and cash equivalents, interest and other receivables, amount due from/to unitholders, bank overdraft, management fees payable, trustee and fund administration fees payable, accrued expenses and other payables. These are short-term financial assets and financial liabilities whose carrying amounts approximate fair value, because of their short-term nature and the high credit quality of counterparties.
- (ii) net assets attributable to unitholders. The Sub-fund routinely redeems and issues the redeemable units at the amount equal to the proportionate share of net assets of the Sub-fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorised into Level 2 of the fair value hierarchy.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 TRANSACTION COSTS

For the years ended 31 December 2022 and 2021, transaction costs for each Sub-fund pertains to the following expense:

	2022	2021
	<i>US\$</i>	<i>US\$</i>
Trading commission (see Note 13)	463,032	607,506
Trading expense	644,301	502,636
Trading fee	<u>5,453</u>	<u>5,828</u>
Total transaction costs	<u><u>1,112,786</u></u>	<u><u>1,115,970</u></u>

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 SOFT COMMISSION ARRANGEMENTS

The Manager and/or any company associated with it and its delegates may enter into soft dollars/ commission sharing arrangements with brokers through which brokerage transactions are entered on behalf of clients under management. The Manager may receive, and is entitled to retain, research products and services (known as soft dollar benefits) which are of demonstrable benefit to the Sub-fund (as may be permitted under applicable rules and regulations) from brokers and other persons through whom investment transactions are carried out (the “brokers”). Soft dollars may be received from them provided that the quality of transaction execution is consistent with best execution standards and brokerage rates are not in excess of the customary full-service brokerage rates.

Such soft dollar benefits may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services and software incidental to the above goods and services; clearing and custodian services and investment related publications. For the avoidance of doubt, soft dollar benefits do not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employee salaries or direct money payments.

The Manager considers many judgmental factors deemed relevant in determining whether a broker provides best execution. In general, investment orders are allocated to brokers based on the range and overall quality of services offered by the broker. The core factors in determining the quality of services are the execution performance and capability of the broker. Other factors, such as the quality and quantity of research and investment ideas offered, access to potential investee companies and commission rate charges, would also be taken into consideration. Soft dollar benefits received from brokers should not be a determinant factor on allocating orders among brokers. The Manager has implemented policies and procedures to ensure that transactions executed with brokers pursuant to a soft dollar commission sharing arrangement are conducted in the best execution standard. Soft dollars benefits received by the Manager are used to facilitate in the Manager’s investment management process, such benefits assist the Manager in fulfilling its overall duty to clients and may be used in servicing any or all of the Manager’s client accounts over which the Manager exercises investment discretion. The Manager does not usually attempt to allocate/attribute the soft dollar benefits to individual client account, as goods and services obtained may be beneficial to all clients in general, including those client accounts that do not generate credit to acquire the soft dollar benefits.

For the year ended 31 December 2022, the Manager obtained research and advisory services; economic and political analysis; portfolio and market analysis, data and quotation services and software incidental to the above goods and services; and investment related publications through soft dollar arrangements. During the years ended 31 December 2022 and 2021, the Manager obtained the services through soft dollars arrangements on transaction amounting to US\$193,879,898 (2021: US\$256,495,707). Commission which amounted to US\$236,796 (2021: US\$281,422) is paid from the Sub-fund on these transactions, and it is included in the trading commission (see Note 12).

NOTES TO THE FINANCIAL STATEMENTS (Continued)**14 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2022**

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2022 and which have not been adopted in these financial statements. These include the following which may be relevant to the Sub-fund.

	Effective for accounting periods beginning on or after
Amendments to IAS 1, Classification of liabilities as current or non-current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of accounting policies	1 January 2023
Amendments to IAS 8, Definition of accounting estimates	1 January 2023
Amendments to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

The Sub-fund is in the process of making an assessment of what the impact of these amendments, new standard 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.

15 SUBSEQUENT EVENT

The Managers have evaluated the effect of all subsequent events occurring till the date the financial statements were available to be issued and has determined that there were no subsequent events requiring adjustment to or disclosure in the financial statements.

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 DECEMBER 2022

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Holdings	Fair value US\$	% of net assets
Listed equity securities			
China			
Beijing Tongrentang Co Ltd A SHARES (SHHK)	376,594.00	2,423,201	1.58
Centre Testing International Group Co Ltd A SHARES (SZHK)	1,085,272.00	3,485,349	2.27
China Life Insurance Co Ltd A SHARES (SHHK)	1,053,492.00	5,631,732	3.67
China Merchants Bank Co Ltd A SHARES (SHHK)	580,137.00	3,112,979	2.03
East Money Information Co Ltd A SHARES (SZHK)	2,989,985.00	8,353,597	5.45
Guangdong Haid Group Co Ltd A SHARES (SZHK)	542,218.00	4,820,288	3.14
Huadong Medicine Co Ltd A SHARES (SZHK)	558,583.00	3,764,752	2.45
Jason Furniture Hangzhou Co Ltd A SHARES (SHHK)	1,095,011.00	6,735,205	4.39
Lao Feng Xiang Co Ltd A SHARES (SHHK)	255,900.00	1,577,309	1.03
Maxscend Microelectronics Co Ltd A SHARES (SZHK)	148,201.00	2,439,496	1.59
Montage Technology Co Ltd A SHARES (SHHK)	767,138.00	6,915,931	4.51
Ninestar Corp A SHARES (SZHK)	246,900.00	1,845,048	1.20
Oppein Home Group Inc A SHARES (SHHK)	361,673.00	6,329,981	4.13
Ping An Bank Co Ltd A SHARES (SZHK)	1,598,200.00	3,028,934	1.97
Ping An Insurance (Group) Co of China Ltd A SHARES (SHHK)	826,135.00	5,591,801	3.65
Piotech Inc A SHARES	45,312.00	1,414,409	0.92
Shenzhen Inovance Technology Co Ltd A SHARES (SZHK)	432,077.00	4,324,628	2.82
Shenzhen Mindray Bio-Medical Electronics Co Ltd A SHARES (SZHK)	117,450.00	5,344,433	3.48
Sinofibers Technology Co Ltd A SHARES (SZHK)	435,152.00	3,080,118	2.01
Wellhope Foods Co Ltd A SHARES (SHHK)	1,469,700.00	2,506,012	1.63
Zijin Mining Group Co Ltd A SHARES (SHHK)	2,075,944.00	2,989,637	1.95
Total China		85,714,840	55.87

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

	Holdings	Fair value US\$	% of net assets
Listed equity securities (Continued)			
Hong Kong - H Shares			
China Vanke Co Ltd H Shares	1,892,500	3,834,583	2.50
Hong Kong - Others			
Alibaba Group Holding Ltd	583,200	6,450,624	4.21
Chervon Holdings Ltd	188,200	1,039,006	0.68
China Power International Development Ltd	10,455,000	4,424,489	2.88
China Resources Power Holdings Co Ltd	1,170,000	2,394,660	1.56
Chow Tai Fook Jewellery Group Ltd	1,064,400	2,173,067	1.42
Galaxy Entertainment Group Ltd	230,000	1,521,958	0.99
JD.com Inc	211,067	5,960,227	3.89
Kuaishou Technology	199,300	1,815,919	1.18
Li Ning Co Ltd	677,500	5,886,318	3.84
Meituan	391,300	8,766,533	5.72
NetEase Inc	219,700	3,225,972	2.10
Sands China Ltd	472,800	1,570,371	1.02
SJM Holdings Ltd	5,782,000	3,351,519	2.19
Tencent Holdings Ltd	211,800	9,071,885	5.91
Total Hong Kong - Others		57,652,548	37.59
Total Hong Kong		61,487,131	40.09
The United States of America			
Pinduoduo Inc ADR	119,707	9,762,106	6.37
Total listed equity securities		156,964,077	102.33

CHINESE MAINLAND FOCUS FUND

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INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

		Holdings	Fair value US\$	% of net assets
Unlisted equity securities				
<i>Hong Kong - Others</i>				
Real Gold Mining Ltd (Sus 05/27/2011)		1,315,000	-	-
Peace Mark (Holdings) Ltd		1,030,000	-	-
			-----	-----
Total equity securities			-	-
			-----	-----
Underlying	Counterparty	Notional amount of contracts outstanding US\$	Fair value US\$	% of net assets
Derivative financial assets				
<i>Foreign currency forward contracts</i>				
Buy AUD Sell USD	HSBC	329,310	6,887	-
Buy CAD Sell USD	HSBC	5,185	51	-
Buy GBP Sell USD	HSBC	4,793	8	-
Buy NZD Sell USD	HSBC	7,345	12	-
			-----	-----
			6,958	-
			-----	-----
Total financial assets at fair value through profit or loss			156,971,035	102.33
			-----	-----

CHINESE MAINLAND FOCUS FUNDA Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)**INVESTMENT PORTFOLIO (UNAUDITED) (Continued)**

AS AT 31 DECEMBER 2022

**FINANCIAL LIABILITIES AT FAIR VALUE
THROUGH PROFIT OR LOSS**

Underlying	Counterparty	Notional amount of contracts outstanding US\$	Fair value US\$	% of net assets
Derivative financial liabilities				
<i>Foreign currency forward contracts</i>				
Buy GBP Sell USD	HSBC	4,843	(41)	-
Total financial liabilities at fair value through profit or loss			(41)	-
Total investments, net			156,970,994	102.33
Cash and Cash equivalents (net of bank overdraft)			(2,888,320)	(1.88)
Other net liabilities			(711,835)	(0.45)
Total net assets			<u>153,370,839</u>	<u>100.00</u>
Total investments, at cost			<u>150,795,409</u>	

CHINESE MAINLAND FOCUS FUND

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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

	% of net assets	
	2022	2021
Listed equity securities		
China	55.87	65.45
Hong Kong	40.09	26.81
The United States of America	6.37	-
	<u>102.33</u>	<u>92.26</u>
Participation notes	-	7.46
Foreign currency forward contracts	-	-
Total financial assets at fair value through profit or loss	<u>102.33</u>	<u>99.72</u>
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		
Foreign currency forward contracts	-	-
Total financial liabilities at fair value through profit or loss	<u>-</u>	<u>-</u>
Total investments, net	102.33	99.72
Cash and Cash equivalents (net of bank overdraft)	(1.88)	0.44
Other net liabilities	(0.45)	(0.16)
Total net assets	<u>100.00</u>	<u>100.00</u>

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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PERFORMANCE RECORD (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Net asset values

	Net asset value per unit									Net asset value US\$
	Class A US\$	Class A HKD HKD	Class A AUD Hedged AUD	Class A CAD Hedged CAD	Class A GBP Hedged GBP	Class A NZD Hedged NZD	Class A RMB Hedged RMB	Class X US\$	Class Z US\$	
-31 December 2022	60.32	5.90	5.65	5.76	5.72	5.72	8.19	6.62	–	153,370,839
-31 December 2021	88.07	8.61	8.48	8.52	8.51	8.49	–	9.55	8.98	238,942,577
-31 December 2020	101.50	–	–	–	–	–	–	–	–	231,055,521
-31 December 2019	58.47	–	–	–	–	–	–	–	–	122,663,066
-31 December 2018	42.81	–	–	–	–	–	–	–	–	106,264,836
-31 December 2017	59.72	–	–	–	–	–	–	–	–	170,094,273

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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PERFORMANCE RECORD (UNAUDITED) (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Highest issue and lowest redemption prices

	Highest issue prices per unit				
	Class A US\$	Class A HKD HKD	Class A AUD Hedged AUD	Class A CAD Hedged CAD	Class A RMB Hedged RMB
Financial year ended					
- 31 December 2022	88.07	8.61	8.48	8.52	10.27
- 31 December 2021	119.72	10.30	10.31	10.30	-
- 31 December 2020	101.50	-	-	-	-
- 31 December 2019	58.47	-	-	-	-
- 31 December 2018	66.22	-	-	-	-
- 31 December 2017	62.86	-	-	-	-
- 31 December 2016	39.79	-	-	-	-
- 31 December 2015	55.81	-	-	-	-
- 31 December 2014	40.63	-	-	-	-
- 31 December 2013	37.67	-	-	-	-
- 31 December 2012	34.65	-	-	-	-
- 31 December 2011	38.71	-	-	-	-

	Lowest redemption prices per unit				
	Class A US\$	Class A HKD HKD	Class A AUD Hedged AUD	Class A CAD Hedged CAD	Class A RMB Hedged RMB
Financial year ended					
- 31 December 2022	48.54	4.78	4.58	4.65	6.64
- 31 December 2021	82.48	8.05	7.96	7.99	-
- 31 December 2020	51.21	-	-	-	-
- 31 December 2019	41.43	-	-	-	-
- 31 December 2018	41.15	-	-	-	-
- 31 December 2017	37.19	-	-	-	-
- 31 December 2016	31.90	-	-	-	-
- 31 December 2015	35.75	-	-	-	-
- 31 December 2014	31.65	-	-	-	-
- 31 December 2013	29.99	-	-	-	-
- 31 December 2012	27.92	-	-	-	-
- 31 December 2011	26.74	-	-	-	-

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
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PERFORMANCE RECORD (UNAUDITED) (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Highest issue and lowest redemption prices

Highest issue prices per unit

	Class A GBP Hedged GBP	Class A NZD Hedged NZD	Class X US\$	Class Z US\$
Financial year ended				
- 31 December 2022	8.51	8.49	9.55	8.98
- 31 December 2021	10.30	10.31	11.03	10.36
- 31 December 2020	-	-	11.24	-
- 31 December 2019	-	-	-	-
- 31 December 2018	-	-	-	-
- 31 December 2017	-	-	-	-
- 31 December 2016	-	-	-	-
- 31 December 2015	-	-	-	-
- 31 December 2014	-	-	-	-
- 31 December 2013	-	-	-	-
- 31 December 2012	-	-	-	-
- 31 December 2011	-	-	-	-

Lowest redemption prices per unit

	Class A GBP Hedged GBP	Class A NZD Hedged NZD	Class X US\$	Class Z US\$
Financial year ended				
- 31 December 2022	4.62	4.63	9.55	8.98
- 31 December 2021	7.98	7.96	8.92	8.40
- 31 December 2020	-	-	9.05	-
- 31 December 2019	-	-	-	-
- 31 December 2018	-	-	-	-
- 31 December 2017	-	-	-	-
- 31 December 2016	-	-	-	-
- 31 December 2015	-	-	-	-
- 31 December 2014	-	-	-	-
- 31 December 2013	-	-	-	-
- 31 December 2012	-	-	-	-
- 31 December 2011	-	-	-	-

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds
(A Cayman Islands unit trust)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Gross exposure			Net exposure		
	Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Foreign currency forward contracts	0.76%	–	0.26%	–	–	–
Participation notes	7.47%	0.92%	3.43%	–	–	–