



Value Partners
Investing through discipline

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in Cayman Islands with limited liability)

2022 ANNUAL
REPORT

For the year ended 31 December 2022

Value Partners Limited

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VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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GENERAL INFORMATION

Directors

Ms. Lam Mei Kuen, Winnie
Mr. Lam Wai Sing Wilson (alternate director
to Ms. Lam Mei Kuen, Winnie)
Mr. Kee Chong Li Kwong Wing

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

Custodian and Administrator's Agent

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

Administrator

HSBC Trustee (Cayman) Limited

Principal address

Strathvale House
90 North Church Street
George Town
Grand Cayman
Cayman Islands

Registered address

PO Box 309
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Grand Cayman
KY1-1104
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Auditor

PricewaterhouseCoopers
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Cayman Islands

Legal Advisors

With respect to Cayman Islands law
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VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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GENERAL INFORMATION (Continued)

Recent awards and achievements

Corporate awards	
2018	<ul style="list-style-type: none">• I&M Professional Investment Awards 2018 House Performance Awards: Offshore China Equity (10-Year) – <i>Insight and Mandate</i>• Benchmark Fund of the Year Awards 2018, Hong Kong Asia ex-Japan Equity House: Best-In-Class – <i>Benchmark</i>• Benchmark Fund of the Year Awards 2018, Hong Kong Greater China Equity House: Outstanding Achiever – <i>Benchmark</i>

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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MANAGER'S REPORT

For the full-year ending 31 December 2022, the Value Partners China Greenchip Fund Class A and Class A2 declined 27.5% and 29.1% respectively, while the MSCI China Index was down 21.9% during the same period.¹

2022 was a challenging period for Greater 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 Golden Dragon Index plummeted by around 40% during the first ten months of the year. However, market concerns were eased as China relaxed its Covid measures and rolled out other supportive policies to bolster its economy.

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.

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 2020, while exports have softened rapidly.² 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.

Toward the end of the year, 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 2021.³ More recently, the CBIRC Chairman, Guo Shuqing, also said the rectification of the platform companies' financial businesses is "basically finished".

MANAGER'S REPORT (Continued)**Portfolio review**

In 2022, the Fund's losses were broad-based across sectors, led by technology names, which were also hit by the global demand slowdown for technology-related products. However, a few companies yielded positively, including those in the consumer, telecommunications, and financial sectors, as they rebounded strongly towards the end of the year following China's move to relax its zero-Covid measures.

While the Fund recorded positive gains during the last two months of the year, with the returns widespread among different individual names, their strong performance during this time was not able to compensate for the losses incurred in the earlier part of the year. Nevertheless, we are confident that 2023 will be a year of recovery for China, and there is still a large upside on the back of the low valuations and prospective corporate earnings upgrades.

That said, we expect the road ahead to remain bumpy, especially on swift movements in some macro data points and economic events. In particular, the accelerated reopening and exit of anti-Covid controls have adversely affected near-term mobility and business activities in China and, hence, may lead to softer near-term macro readings. However, these are also expected to be followed by a robust rebound later. Overall, we remain nimble and diligent in our portfolio management, with a view to safeguarding the portfolio's robustness. We continue to invest in high-quality companies that will ride through the volatility and thrive over time. We also have strong faith that our long-held practices in diligent, thorough, deep-dive, and bottom-up research will continue to bear fruits over the long term.

Value Partners Limited**25 April 2023***Sources:*

1. MSCI, 31 December 2022
2. China Federation of Logistics & Purchasing, 31 December 2022
3. National Press and Publication Administration, 28 December 2022

Fund performance mentioned is referred to Value Partners China Greenchip Fund Limited (Class A shares). All performance and index figures are sourced from HSBC Institutional Trust Services (Asia) Limited, Bloomberg and Morningstar (Data computed in HK\$ 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.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

MANAGER'S REPORT (Continued)

5 biggest holdings of securities as at 31 December 2022

Stock	Industry	Valuation (2023 Estimates)	Remarks
Taiwan Semiconductor Manufacturing (Code: 2330 TT) Market cap: US\$378.5 billion	Semiconductors and semiconductor equipment	Price: TWD448.5 P/E: 13.4x P/B: 3.5x Yield: 2.6%	Taiwan Semiconductor Manufacturing is a world-class independent semiconductor foundry. It provides integrated circuit (IC) design houses with integrated services for process design, wafer manufacturing and testing. As a global leader with more than 50% share of the outsourcing market, the Company has consistently outperformed competitors in technology and profitability. We think the Company is well-positioned to continue to benefit from the growing IC manufacturing outsourcing market and the rising demand for the Internet of things trend, AI chips and new application areas.
AIA Group (Code: 1299 HK) Market cap: US\$131.1 billion	Insurance	Price: HK\$86.80 P/E: 17.6x P/B: 2.3x Yield: 1.9%	AIA is the largest independent publicly listed pan-Asian life insurance group – with a presence in 18 markets across the Asia-Pacific region. We expect AIA China to deliver superior new business growth as the company's protection-oriented business in China is more resilient than most of its domestic peers. China's insurance regulator has also eased restrictions on foreign shareholding in joint venture life insurance companies. This will provide further long-term growth potential for AIA in China.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

MANAGER'S REPORT (Continued)

5 biggest holdings of securities as at 31 December 2022 (Continued)

Stock	Industry	Valuation (2023 Estimates)	Remarks
Meituan (Code: 3690 HK) Market cap: US\$138.6 billion	Retailing	Price: HK\$174.7 P/E: N/A P/B: 7.0x Yield: 0.0%	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. 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.
Alibaba Group Holding (Code: 9988 HK) Market cap: US\$234.2 billion	Retailing	Price: HK\$86.25 P/E: 16.0x P/B: 2.3x Yield: 0.1%	Alibaba is one of the world's largest e-commerce companies. Alibaba's online marketplaces, Taobao and Tmall, contribute most of the company's revenue. In addition, the company's leading cloud service, Alibaba Cloud, is another long-term growth driver as more enterprises are starting to embrace cloud services.
Tencent Holdings (Code: 700 HK) Market cap: US\$410.0 billion	Media and entertainment	Price: HK\$317.23 P/E: 22.4x P/B: 3.0x Yield: 0.5%	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.

Note: The above investments made up 24.8% of Value Partners China Greenchip 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.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

MANAGER'S REPORT (Continued)

Value Partners China Greenchip Fund Limited – NAV as at 31 December 2022

Classes	NAV per share
Class A HKD	HKD62.61
Class A USD	USD10.28
Class A AUD Hedged	AUD9.64
Class A CAD Hedged	CAD9.69
Class A NZD Hedged	NZD9.79
Class A2 QDis HKD	HKD10.14
Class Z	USD12.11

Performance since launch From 8 April 2002 to 31 December 2022



[#] Hang Seng Index refers to Hang Seng Index (Price Return) up to 31 Dec 2004, thereafter it is the Hang Seng Index (Total Return). Hang Seng Index (Total Return) includes dividend reinvestment whereas Hang Seng Index (Price Return) does not take into account reinvestment of dividends.

^{*} MSCI China Index (Total Net Return) since fund inception to present which takes into account of dividend reinvestment after deduction of withholding tax.

[^] Refers to chain link return of Class N & Class A HKD, Class N since inception (7 Sep 2002) to 17 Dec 2020 and Class A since 18 Dec 2020. Class N was firstly launched in 2002 & closed for subscription from 26 Mar 2007. Class A was launched on 27 Mar 2007 with the same NAV of Class N. Therefore Classes A & N have the same NAV since 27 Mar 2007. Class N was fully redeemed on 17 Dec 2020 and NAV was no longer available. Hence Class A is now the representative share class after 17 Dec 2020. For Class A, return since launch i.e. 27 Mar 2007 cumulative return and annualised return are +77.1% and +3.7% respectively till 31-Dec-2022.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS AND THE MANAGER

Directors' and Manager's responsibilities

The Directors and the Manager, Value Partners Limited, (the "Management") is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong ("the Code") and the amended and restated Memorandum and Articles of Association dated 19 March 2007 (as amended) to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of Value Partners China Greenchip Fund Limited (the "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 Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the amended and restated Memorandum and Articles of Association dated 19 March 2007 (as amended) and take reasonable steps for the prevention and detection of fraud and other irregularities.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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CUSTODIAN'S REPORT

We hereby confirm that, in our opinion, the Manager, Value Partners Limited has, in all material respects, managed Value Partners China Greenchip Fund Limited in accordance with the provisions of the amended and restated Memorandum and Articles of Association dated 19 March 2007 (as amended) for the year ended 31 December 2022.

For and on behalf of

HSBC Institutional Trust Services (Asia) Limited

Custodian

25 April 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF VALUE PARTNERS CHINA GREENCHIP
FUND LIMITED FOR THE SHAREHOLDERS (AS BODY)**

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Value Partners China Greenchip Fund Limited (the "Fund") as at 31 December 2022, and of its financial transactions and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to shareholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF VALUE PARTNERS CHINA GREENCHIP FUND LIMITED FOR THE SHAREHOLDERS (AS BODY)(Continued)

Other information

The Board of Directors and Manager (the "Management") are responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 Management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

In addition, Management is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Memorandum and Articles of Association dated 19 March 2007 (as amended) (the "Memorandum and Articles of Association") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code").

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF VALUE PARTNERS CHINA GREENCHIP
FUND LIMITED FOR THE SHAREHOLDERS (AS BODY)(Continued)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Memorandum and Articles of Association and Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF VALUE PARTNERS CHINA GREENCHIP FUND LIMITED FOR THE SHAREHOLDERS (AS BODY)(Continued)

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

We communicate with those charged with governance 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.

Other matter

This report, including the opinion, has been prepared for and only for the Fund in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on Matters under the Relevant Disclosure Provisions of the Memorandum and Articles of Association and Appendix E of the SFC Code

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

PricewaterhouseCoopers

P.O. Box 258,
18 Forum Lane,
Camana Bay,
Grand Cayman, KY1-1104,
Cayman Islands
25 April 2023

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 HK\$	2021 HK\$
Assets			
Current assets			
Financial assets at fair value through profit or loss	4(d)	1,146,258,440	1,712,752,156
Amounts receivable on issue of shares		100,076	10,005,808
Dividends and interest receivables		586,246	5,163,004
Other receivables		56,214	34,224
Bank balances	6(f)	<u>10,996,725</u>	<u>85,090,268</u>
Total assets		<u>1,157,997,701</u>	<u>1,813,045,460</u>
Liabilities			
Current liabilities			
Amounts payable on purchase of investments		–	49,513,459
Amounts payable on redemption of shares		1,289,644	4,323,376
Management fees payable		1,479,785	2,182,514
Distribution payable	9	1,708,939	1,817,023
Bank overdrafts	6(f)	–	26,063,285
Accruals and other payables	6(f)	<u>594,092</u>	<u>647,261</u>
Liabilities (excluding net assets attributable to shareholders)		<u>5,072,460</u>	<u>84,546,918</u>
Net assets attributable to shareholders	5	<u>1,152,925,241</u>	<u>1,728,498,542</u>

Signed by:

Director

The notes on pages 20 to 45 are an integral part of these financial statements.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 HK\$	2021 HK\$
Income			
Dividends		44,353,736	33,988,491
Interest on bank deposits	6(f)	15,695	3,378
Net realised (losses)/gains on investments		(298,319,571)	387,139,654
Change in unrealised gains/losses on investments		(184,446,319)	(485,261,901)
Other income		22	2
Net foreign exchange losses		(1,659,711)	(2,956,984)
		<u>(440,056,148)</u>	<u>(67,087,360)</u>
Expenses			
Management fees	6(a)	(19,456,304)	(28,908,267)
Performance fees	6(b)	-	(10,838)
Transaction costs	6(f), 8	(5,675,377)	(13,059,999)
Administration and custodian fees	6(c)	(1,869,557)	(2,907,205)
Interest expenses	6(f)	(819,558)	(2,431,727)
Safe custody and bank charges	6(f)	(204,751)	(334,023)
Legal and professional fees		(220,516)	(306,174)
Auditor's remuneration		(361,167)	(363,037)
Other operating expenses	6(f)	(1,028,062)	(1,663,058)
		<u>(29,635,292)</u>	<u>(49,984,328)</u>
Loss before tax		(469,691,440)	(117,071,688)
Withholding tax on dividends and other investment income	7(d)	(3,825,061)	(2,157,080)
Loss after tax and before distributions		(473,516,501)	(119,228,768)
Distributions to shareholders	9	(7,122,039)	(7,053,605)
Decrease in net assets attributable to shareholders from operations		<u>(480,638,540)</u>	<u>(126,282,373)</u>

The notes on pages 20 to 45 are an integral part of these financial statements.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 HK\$	2021 HK\$
Net assets attributable to shareholders as at 1 January	1,728,498,542	1,925,434,385
Issue of shares	99,619,781	281,614,944
Redemption of shares	(194,554,542)	(352,268,414)
Net decrease from share transactions	(94,934,761)	(70,653,470)
Loss after tax and before distributions	(473,516,501)	(119,228,768)
Distributions to shareholders	(7,122,039)	(7,053,605)
Decrease in net assets attributable to shareholders from operations	(480,638,540)	(126,282,373)
Net assets attributable to shareholders as at 31 December	<u>1,152,925,241</u>	<u>1,728,498,542</u>

The movement of number of shares in issue during the years were as follows:

Number of shares	As at 1 January 2022	Issue of shares	Redemption of shares	As at 31 December 2022
Class A HKD	13,992,571	749,864	(1,609,114)	13,133,321
Class A USD	407,202	48,697	(102,812)	353,087
Class A AUD Hedged	214,857	2,619	(124,304)	93,172
Class A CAD Hedged	77,245	112,723	(126,392)	63,576
Class A NZD Hedged	134,775	23,248	(93,074)	64,949
Class A2 QDis HKD	29,934,475	2,937,259	(4,717,875)	28,153,859
Class Z	114,000	-	(56,000)	58,000

Number of shares	As at 1 January 2021	Issue of shares	Redemption of shares	As at 31 December 2021
Class A HKD	15,103,075	1,474,385	(2,584,889)	13,992,571
Class A USD	259,378	231,046	(83,222)	407,202
Class A AUD Hedged	101,364	175,951	(62,458)	214,857
Class A CAD Hedged	12,825	100,332	(35,912)	77,245
Class A NZD Hedged	8,063	133,149	(6,437)	134,775
Class A2 QDis HKD	28,908,079	4,218,492	(3,192,096)	29,934,475
Class Z	283,000	40,000	(209,000)	114,000

The notes on pages 20 to 45 are an integral part of these financial statements.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 HK\$	2021 HK\$
Cash flows from operating activities		
Decrease in net assets attributable to shareholders from operations	(480,638,540)	(126,282,373)
Adjustments for:		
Dividends and interest on bank deposits	(44,369,431)	(33,991,869)
Interest expenses	819,558	2,431,727
Withholding tax on dividends and other investment income	3,825,061	2,157,080
Distribution to shareholders	7,122,039	7,053,605
	<u>(513,241,313)</u>	<u>(148,631,830)</u>
Decrease in financial assets at fair value through profit or loss	566,493,716	365,399,106
Decrease in financial liabilities at fair value through profit or loss	-	(26,508)
Decrease in amounts receivable on sales of investments	-	104,049,792
Decrease in amounts payable on purchase of investments	(49,513,459)	(67,977,714)
(Increase)/decrease in other receivables	(21,990)	1,614,552
Decrease in management fees payable	(702,729)	(174,920)
Decrease in performance fees payable	-	(90,105,999)
Decrease in accruals and other payables	(94,692)	(59,741)
Decrease in bank overdraft	<u>(26,063,285)</u>	<u>(19,427,482)</u>
Cash (used in)/generated from operations	(23,143,752)	144,659,256
Dividends and interest on bank deposits received	45,121,128	37,219,091
Interest expenses paid	<u>(778,035)</u>	<u>(2,433,588)</u>
Net cash inflow from operating activities	<u>21,199,341</u>	<u>179,444,759</u>

The notes on pages 20 to 45 are an integral part of these financial statements.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 HK\$	2021 HK\$
Cash flows from financing activities		
Distributions paid to shareholders	(7,230,123)	(6,991,302)
Proceeds from issue of shares	109,525,513	271,609,136
Payments on redemption/repurchase of shares	<u>(197,588,274)</u>	<u>(359,486,824)</u>
Net cash outflow from financing activities	<u>(95,292,884)</u>	<u>(94,868,990)</u>
Net (decrease)/increase in cash and cash equivalents	(74,093,543)	84,575,769
Cash and cash equivalents as at 1 January	<u>85,090,268</u>	<u>514,499</u>
Cash and cash equivalents as at 31 December, representing bank balances	<u><u>10,996,725</u></u>	<u><u>85,090,268</u></u>

The notes on pages 20 to 45 are an integral part of these financial statements.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Value Partners China Greenchip Fund Limited (the “Fund”) was a close-ended investment company registered with limited liability in the Cayman Islands on 16 January 2002. On 19 March 2007, a special resolution was passed at the Extraordinary General Meeting to adopt the amended and restated Memorandum and Articles of Association of the Fund to become an open-ended investment company. The Fund is also registered as a mutual fund under the Mutual Funds Law (revised) of the Cayman Islands on 19 March 2007, and is governed by the laws of the Cayman Islands and regulated by the Cayman Islands Monetary Authority. Besides, the Fund is authorised by the Securities and Futures Commission of Hong Kong and is required to comply with the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the “Code”).

The Fund’s investment objective is to achieve medium-term capital growth through investing primarily (i.e. not less than 70% of the Fund’s Net Asset Value) in companies established in Greater China or which derive a majority of their revenue from business related to Greater China, whether in the form of direct investment in, or trade with, Greater China. This includes companies incorporated and/or listed outside Greater China.

The Fund’s investment activities are managed by Value Partners Limited (the “Manager”). HSBC Trustee (Cayman) Limited (the “Administrator”) is the Administrator of the Fund. The Fund’s administration is delegated to HSBC Institutional Trust Services (Asia) Limited, an affiliate of the Administrator. The registered office of the Fund is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). They have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of accounting estimates. It also requires the exercise of judgement in the process of applying the Fund’s accounting policies.

All references to net assets throughout this document refer to net assets attributable to shareholders unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

Standards and amendments to existing standards effective 1 January 2022

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2022 that had a material impact on the Fund.

Standards that are not yet effective and have not been early adopted by the Fund

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

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

(i) Classification

– Assets

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective.

– Liabilities

The Fund short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss.

The Fund's policy requires the management to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

All derivatives are carried in assets when amounts are receivable by the Fund and in liabilities when amounts are payable by the Fund.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial assets and liabilities at fair value through profit or loss (Continued)

(ii) *Recognition/derecognition*

Regular-way purchases and sales of investments are recognised on the trade date - the date on which the Fund commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

(iii) *Measurement*

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the statement of comprehensive income in the year in which they arise.

(iv) *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on last traded prices at the close of trading on the reporting date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Fund utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Over-the-counter derivatives that are not traded in an active market is determined by using broker quotes or valuation techniques.

(c) **Income**

(i) *Interest income*

Interest income is recognised in the statement of comprehensive income on a time proportionate basis using the effective interest method.

(ii) *Dividends*

Dividends are recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****(d) Expenses**

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

(e) Transaction costs

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

(f) Redeemable Participating shares

Redeemable shares are classified as financial liabilities and are issued or redeemed at the holder's option at prices based on the Fund's net asset value per share as at the close of business on the relevant dealing day. The Fund's net asset value per share is calculated by dividing the net assets attributable to the shareholders with the total number of outstanding shares.

The redeemable shares will be issued when the signed application for subscription or switching of Shares in the relevant Class has been received. The subscription monies should be received no more than three Business Days after the close of the relevant Dealing period. The amounts receivable on issue of shares are recognised when the subscription applications are received but not yet settled.

The redemption monies will be paid with the maximum interval between the receipt of a properly documented request for redemption of Shares and payment of the redemption proceeds to the Shareholders may not exceed one calendar month. The amounts payable on redemption of shares are recognised when the redemption requests are received but not yet settled.

(g) Distributions payable to shareholders

Proposed distributions to shareholders are recognised in the statement of comprehensive income when they are appropriately authorised. The Manager expects to be able to pay distributions from the net distributable income generated by the Fund from its investment but in the event that such net distributable income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. The distribution on the shares is recognised in the statement of comprehensive income.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Foreign currency translation

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

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

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “net foreign exchange losses”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net realised (losses)/gains on investments” and “change in unrealised gains/losses on investments”.

(i) **Taxation**

The Fund currently incurs withholding tax imposed by certain countries on investment income and capital gains. Such income is recorded gross of withholding tax in the statement of comprehensive income.

(j) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and exclude overdrafts with the broker as they are restricted for investment purposes. Bank overdrafts are shown in current liabilities in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of financial instruments not quoted in an active market

The Fund holds financial instruments that are not traded or quoted in an active market. The Fund uses its judgement to select the appropriate methods and make assumptions based on market conditions existing at the end of each reporting period to estimate the fair value of such financial instruments. (See Note 4(d) for further details)

Valuation techniques include the market approach using prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities such as net asset values as provided by fund administrators, broker quotes and last transacted price. Broker quotes obtained from the pricing sources (such as pricing agencies or bond/debt market makers) may be indicative and not executable or binding. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources uses. Where no market data is available, the Fund may value positions using its own models. Although best estimate is used in estimating fair values, there are inherent limitations in any valuation technique. Estimated fair values may differ from the values that would have been used if a readily available market existed.

As at 31 December 2022, the investment held by the Fund included unlisted equity securities of US\$nil (2021: US\$nil), which are classified as level 3 investments. Refer to Note 4(d) for further details.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit and counterparty risk and liquidity risk.

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

(a) Market risk

(i) Foreign exchange risk

The Fund may hold assets denominated in currencies other than the Hong Kong dollar, the functional currency, it may therefore be exposed to foreign exchange risk. The Fund's overall currency positions are monitored on a daily basis by the Manager.

The table below includes both monetary and non-monetary assets and liabilities held in foreign currencies together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net assets. Non-monetary investments include equity securities and equity related derivatives. Monetary investments include currency forwarding.

	Total net foreign currency exposures		Percentage change %	Estimated impact on net assets HK\$
	Non- monetary net assets HK\$ equivalent	Monetary net assets HK\$ equivalent		
As at 31 December 2022				
Australian dollar	-	4,779,100	+/-5	+/-238,955
Canadian dollar	-	3,578,618	+/-5	+/-178,931
Indonesian rupiah	-	302	+/-5	+/-15
New Zealand dollar	-	3,153,042	+/-5	+/-157,652
Renminbi	114,486,224	546,753	+/-5	+/-5,751,649
Singapore dollar	-	231,119	+/-5	+/-11,556
South Korean won	-	5	+/-5	+/-0
Taiwan dollar	149,269,770	6,882,515	+/-5	+/-7,807,614
United States dollar*	44,005,931	349,370	+/-0	-
	<u>307,761,925</u>	<u>19,520,824</u>		

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

	Total net foreign currency exposures		Percentage change %	Estimated impact on net assets HK\$
	Non- monetary net assets HK\$ equivalent	Monetary net assets/ (liabilities) HK\$ equivalent		
As at 31 December 2021				
Australian dollar	–	16,463,880	+/-5	+/-823,194
Canadian dollar	–	6,617,047	+/-5	+/-330,852
Indonesian rupiah	–	330	+/-5	+/-17
New Zealand dollar	–	9,628,838	+/-5	+/-481,442
Renminbi	273,931,055	1,335,613	+/-5	+/-13,763,333
Singapore dollar	–	10	+/-5	+/-1
South Korean won	–	6	+/-5	+/-0
Taiwan dollar	215,001,197	45,519,987	+/-5	+/-13,026,059
United States dollar*	–	37,680,935	+/-0	–
	<u>488,932,252</u>	<u>117,246,646</u>		

* The United States dollar is currently linked to the Hong Kong dollar, the functional currency, within a narrow range, and is therefore not exposed to significant foreign exchange risk.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Price risk

The Manager manages price risk primarily through diversification of the portfolio and through a careful selection of securities and other financial instruments within specified limits as stated in the Explanatory Memorandum. The Fund's overall market positions are monitored on a daily basis by the Manager.

As at 31 December 2022 and 2021, the Fund had no exposure to securities greater than 10% of net assets.

The Fund's overall market exposures were as follows:

	% of net assets	
	2022	2021
Financial assets at fair value through profit or loss		
Listed equity securities		
China	9.93	15.85
Hong Kong		
- H shares	22.07	13.86
- Red chips	6.19	6.66
- Others	44.45	50.27
Taiwan	12.95	12.44
The United States of America	3.82	-
	99.41	99.08
Unlisted equity securities*	-	-
Forward exchange contracts	0.01	0.01
	99.42	99.09

* As at 31 December 2022, the fair value of 2 delisted equity securities (2021: 2 delisted equity securities) at level 3 whose fair value was fully marked to zero.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Price risk (Continued)

The table below shows the analysis of equity securities by industry.

	2022	2021
	%	%
Consumer Discretionary	30.09	17.82
Information Technology	17.77	31.31
Financials	15.87	11.28
Communication Services	12.00	–
Consumer Staples	8.70	7.74
Industrials	8.53	8.57
Materials	3.40	1.82
Real Estate	1.65	7.99
Energy	1.15	–
Utilities	0.84	0.80
Telecommunication Services	–	12.67
	<u>100.00</u>	<u>100.00</u>

The table below summarises the sensitivity of the Fund's portfolio of listed equity securities to equity price movements. The analysis is based on the assumptions that the MSCI China Index increased/decreased with all other variables held constant and that the fair value of the Fund's portfolio of listed equity securities and notional value of the Fund's derivatives moved according to their historical correlation with the index. The index used below is for guidance and performance comparison purposes only.

	Percentage change		Estimated impact on net assets	
	2022	2021	2022	2021
	%	%	HK\$	HK\$
MSCI China Index	+/-30	+/-30	+/-270,866,348	+/-464,851,367

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(iii) Interest rate risk

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

The table below summaries the Fund's financial assets and liabilities at the reporting date which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorised by remaining maturity dates.

	Less than 1 month	
	2022	2021
	HK\$	HK\$
Bank balances	10,996,725	85,090,268
Bank overdrafts	<u>-</u>	<u>(26,063,285)</u>
Total interest sensitivity gap	<u>10,996,725</u>	<u>59,026,983</u>

Any bank balances and overdrafts with brokers are placed/borrowed at short term market interest rate and the Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

(b) Credit and counterparty risk

The Fund limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges that the Manager considers to be well established. All transactions in listed securities are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal since delivery of securities sold is only made when the broker has received payment. In a purchase, payment is made when the securities have been received by the broker. If either party fails to meet its obligation, the trade will fail.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

The table below shows the exposures to major counterparties at the reporting date. The credit ratings are issued by Moody's.

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Counterparty		
Cash with bank		
Aa3	10,996,725	85,090,268
Investments placed with custodian		
Aa3	1,146,258,440	1,712,752,156
Amounts receivable on issue of shares		
Unrated	100,076	10,005,808

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2022 and 31 December 2021, amounts receivable on issue of shares, dividends and interest receivables, other receivables, bank balances are held with counterparties with a credit rating of Aa3 (2021: Aa3) or higher and are due to be settled within 1 week. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as shown in the statement of financial position.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

The table below analyses the Fund's non-derivative financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The table below reflects captions of the statement of financial position items and shows how much of the net assets can be redeemed if the Manager does not exercise the 10% redemption gate.

	Less than 3 month	
	2022	2021
	<i>HK\$</i>	<i>HK\$</i>
Net assets attributable to shareholders	1,152,925,241	1,728,498,542
Amounts payable on purchase of investments	-	49,513,459
Amounts payable on redemption of shares	1,289,644	4,323,376
Management fees payable	1,479,785	2,182,514
Distribution payable	1,708,939	1,817,023
Bank overdrafts	-	26,063,285
Accruals and other payables	594,092	647,261
	<u>1,157,997,701</u>	<u>1,813,045,460</u>

The Fund and its counterparty have elected to settle all the financial assets and liabilities on a gross basis. Although, each party has the option to settle the financial assets and liabilities below on a net basis in the event of default of the other party. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy. Accordingly, all the financial assets and liabilities has been recognised in the statement of financial position on a gross basis.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**4 FINANCIAL RISK MANAGEMENT (Continued)****(c) Liquidity risk (Continued)*****Capital management***

The capital of the Fund is represented by the net assets attributable to shareholders which is subject to daily subscriptions and redemptions of redeemable shares. The Fund's objective for capital management is to provide returns and long-term capital growth for shareholders.

In order to maintain the capital structure, the Manager performs the following:

- Monitor subscriptions and redemptions activities relative to liquid assets;
- To protect the interest of shareholders and in exceptional circumstances, the Manager may limit the total number of shares redeemed on any redemption day to 10% in aggregate of the total number of shares in issue; and
- Monitor fund investment guidelines and restrictions, in accordance with the Explanatory Memorandum.

The markets in which the Fund invests may be relatively illiquid and the liquidity of these markets may fluctuate substantially over time. Investment of the Fund's assets in relatively illiquid securities may restrict the ability of the 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. As at 31 December 2022 and 2021, the Manager considers that the amount of such illiquid investments is relatively insignificant compared to the net assets attributable to shareholders and the majority of the Fund's asset can be realised within 7 days or less to generate cash inflows for managing liquidity risk.

Below presents a list of investors who held more than 10% of the net assets of the Fund:

Investor	% of net assets
As at 31 December 2022	
Investor 1	27.97
As at 31 December 2021	
Investor 1	29.12
Investor 2	10.21

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value as at the reporting date.

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 31 December 2022				
Financial assets at fair value through profit or loss				
Listed equity securities	1,146,107,113	-	-	1,146,107,113
Unlisted equity securities*	-	-	-	-
Forward exchange contracts	-	151,327	-	151,327
	<u>1,146,107,113</u>	<u>151,327</u>	<u>-</u>	<u>1,146,258,440</u>
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$

As at 31 December 2021

Financial assets at fair value through profit or loss				
Listed equity securities	1,712,619,594	-	-	1,712,619,594
Unlisted equity securities*	-	-	-	-
Forward exchange contracts	-	132,562	-	132,562
	<u>1,712,619,594</u>	<u>132,562</u>	<u>-</u>	<u>1,712,752,156</u>

* As at 31 December 2022, the fair value of 2 delisted equity securities (2021: 2 delisted equity securities) at level 3 whose fair value was fully marked to zero.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equity securities. The Fund does not adjust the quoted price for these investments.

Financial instruments that are traded in markets are not considered to be active and are valued based on quoted market prices or broker quotes, or financial instruments that are not traded in active market and are valued based on valuation models supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they are traded infrequently.

The Manager estimates that the amount of the level 3 investments is not significant to the Fund and changes in the inputs to the valuation models would not have a significant effect on the net asset value of the Fund. No quantitative analysis has been presented. The table on the next page summarises the key unobservable inputs adopted by the Manager in determining the fair value.

	Fair value HK\$	Valuation technique	Unobservable inputs	Range of inputs
As at 31 December 2022				
Unlisted equity securities	–	Discounted last transacted price	Discount rate	100%
As at 31 December 2021				
Unlisted equity securities	–	Discounted last transacted price	Discount rate	100%

Valuation techniques use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shifts in these inputs, taking into consideration historical volatility and estimations of future market movements.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

The determination of what constitutes 'observable' requires significant judgement by the Board of Directors. The Board of Directors considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The estimates and assumptions made have a significant risk of causing a material adjustment to the carrying amounts of the investments.

The Fund uses its judgement to select the appropriate methods and make assumptions based on market conditions existing at the end of each reporting period. The Manager considers that changes in the inputs to the valuation models would not have a significant effect on the net asset value of the Fund. No quantitative analysis has been presented.

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

There is no movement in level 3 investments for the years ended 31 December 2022 and 2021.

Other assets and liabilities are carried at amortised cost and their carrying values are a reasonable approximation of fair value.

(e) Financial derivative instruments

The Fund's financial derivative instruments at the reporting date are detailed as follows:

	Notional amount <i>Long</i>	Fair value Assets <i>HK\$</i>
As at 31 December 2022		
Forward currency contract	AUD899,313	103,158
Forward currency contract	CAD1616,521	38,961
Forward currency contract	NZD1636,928	9,208
		<u>151,327</u>
As at 31 December 2021		
Forward currency contract	AUD2,945,829	84,938
Forward currency contract	CAD1,033,413	43,055
Forward currency contract	NZD1,806,583	4,569
		<u>132,562</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

The authorised share capital of the Fund was HK\$200,000,000 divided into 2,000,000,000 shares of a nominal or par value of HK\$0.1 per share.

The Fund's capital is represented by the issued shares. They are entitled to payment of a proportionate share based on the Fund's net assets on each valuation day. The Fund's capital is shown as net assets attributable to shareholders in the statement of financial position. The Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions/repurchases, such liquidity being augmented by disposal of listed securities where necessary.

The Fund may enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Fund attributable to a particular class into the class currency of the relevant class. Any financial instruments used to implement such strategies with respect to one or more classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant classes and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant class.

Shares of the Fund are issued in different classes. All shares except Class N shares are subject to daily cash redemptions/repurchases of shares.

Class N shares represent the non-redeemable shares issued by the Fund prior to the delisting of the Fund from the Hong Kong Stock Exchange on 26 March 2007. Since then, Class N Shares of the Fund are closed for subscription. Shares of other classes are offered for both subscriptions and redemptions.

The Directors of the Fund currently do not intend to pay dividends with respect to Class A HKD Shares, Class A USD Shares, Class A AUD Hedged Shares, Class A CAD Hedged Shares, Class A EUR Hedged Shares, Class A NZD Hedged Shares, Class A SGD Hedged Shares, Class A GBP Hedged Shares, Class Z Shares and non-redeemable Class N Shares (collectively referred to as "Accumulation Classes"). Therefore, any net income and net realised profits attributable to the shares of the Accumulation Classes will be reflected in their respective net assets. For Class A2 QDis Shares ("Distribution Class"), the Directors currently aim to make quarterly dividend distributions to relevant shareholders. However, there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (Continued)

Number of shares in issue

Number of shares and the net asset value per unit at the reporting date was as follows:

	2022	2021
Number of shares		
Class A HKD	13,133,321	13,992,571
Class A USD	353,087	407,202
Class A AUD Hedged	93,172	214,857
Class A CAD Hedged	63,576	77,245
Class A NZD Hedged	64,949	134,775
Class A2 QDis HKD	28,153,859	29,934,475
Class Z	58,000	114,000

	2022	2021
Net asset value per share		
- Class A HKD	HKD62.61	HKD86.30
- Class A USD	USD10.28	USD14.17
- Class A AUD Hedged	AUD9.64	AUD13.75
- Class A CAD Hedged	CAD9.69	CAD13.61
- Class A NZD Hedged	NZD9.79	NZD13.64
- Class A2 QDis HKD	HKD10.14	HKD14.31
- Class Z	USD12.11	USD16.58

NOTES TO THE FINANCIAL STATEMENTS (Continued)**6 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE MANAGER, THE CUSTODIAN AND THEIR CONNECTED PERSONS**

The following is a summary of significant related party transactions/transactions entered into during the period between the Fund and the Manager, the Custodian and their connected persons. Connected persons of the Manager are those as defined in the Code. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

(a) Management fees

The Manager is entitled to receive a management fees which represents 1.5% per annum of the net asset value of the Fund attributable to Class A HKD, Class A2 QDis, Class N, Class A USD, Class A AUD Hedged, Class A CAD Hedged, Class A EUR Hedged, Class A NZD Hedged, Class A SGD Hedged and Class A GBP Hedged shares, and 0.75% per annum of the net asset value of the Fund attributable to Class Z shares. The management fees is calculated and accrued daily and payable monthly in arrears.

(b) Performance fees

The Manager is entitled to receive a performance fees which represents 15% of the product of the average number of shares in issue during the year and the amount by which the net asset value per share as at the last business day of each calendar year (the “performance fees valuation day”) before accrual of performance fees exceeds the higher of (i) the initial issue price of the shares and (ii) the highest value for the net asset value per share as at the performance fees valuation day for any preceding year in which a performance fees was last calculated and paid (after payment of the performance fees). The performance fees is calculated and accrued daily and payable yearly in arrears.

(c) Administration and custodian fees

The Administrator and the Custodian, HSBC Institutional Trust Services (Asia) Limited, are entitled to receive the following fees:

Prior to 30 April 2021, a variable fee of (i) 0.17% per annum on the first US\$400 million of the net asset value of the Fund; (ii) 0.15% per annum on the next US\$400 million of the net asset value of the Fund and (iii) 0.13% per annum thereafter, subject to a minimum of US\$5,000 per month. The variable fees is calculated and accrued daily and payable monthly in arrears.

Effective from 30 April 2021, a variable fee of (i) 0.135% per annum on the first HK\$1,170 million of net asset value of the Fund; (ii) 0.13% per annum on the next HK\$5,070 million of net asset value of the Fund; and (iii) 0.125% per annum of net asset value of the Fund thereafter, subject to a minimum of HK\$35,000 per month. The variable fee is calculated and accrued daily and payable monthly in arrears.

(d) Directors’ fees

Directors’ fees for the year ended 31 December 2022 were HK\$39,046 (2021: HK\$3,548). As at 31 December 2022 and 2021, no directors’ fees were outstanding.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE MANAGER, THE CUSTODIAN AND THEIR CONNECTED PERSONS (Continued)

(e) Manager's and its related parties' holding in the Fund and entitled to profit from the transactions in units

The Manager and its related parties held units of the Fund and entitled to profit from transactions in units as follows:

	As at 1 January	Issue of shares	Redemption /repurchase of shares	As at 31 December
Year 2022				
Class A HKD				
Director of the Manager	400,391	–	–	400,391
Class A USD				
Bright Starlight Limited*	100,402	–	(50,200)	50,202
Year 2021				
Class A HKD				
Director of the Manager	400,391	–	–	400,391
Class A USD				
Bright Starlight Limited*	100,402	–	–	100,402

* Bright Starlight Limited is indirectly but wholly-owned by a company incorporated in the British Virgin Islands, as trustee for a discretionary trust, the discretionary objects of which include certain members of the family of a director of the Manager's parent company.

Note During the years ended 31 December 2022 and 2021, the Manager and its related parties' holding in the Fund are entitled to the distribution based on their holding of the units of the relevant Fund, refer to Note 9 for details.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**6 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE MANAGER, THE CUSTODIAN AND THEIR CONNECTED PERSONS (Continued)****(f) Other transactions and balances with the Custodian and its related parties**

In addition to the administration and custodian fees of HK\$1,869,557 (2021: HK\$2,907,205), as disclosed in note 6(c), the Fund had the following additional transactions with the Custodian and its related parties. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Interest income	15,695	3,378
Transaction costs ^(Note)	(199,928)	(204,422)
Safe custody and bank charges	(204,751)	(334,023)
Company secretary and registered office fees	(146,352)	(55,405)
Annual service fees	(120,907)	(78,293)
Interest expenses	(819,558)	(2,431,727)

Note Included in transaction cost are paid commission to related parties of the Custodian for the purchases and sales of investments during the years ended 31 December 2022 and 2021 as follows:

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
The Hongkong and Shanghai Banking Corporation Limited		
Total commission paid	153,904	156,337
The total aggregate value of the purchases and sales	107,831,694	152,533,398
Average rate of commission	0.14%	0.10%
% of transactions to the total purchases and sales of the Fund	4.39%	2.43%

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE MANAGER, THE CUSTODIAN AND THEIR CONNECTED PERSONS (Continued)

(f) Other transactions and balances with the Custodian and its related parties (Continued)

In addition to the administration and custodian fees payable of HK\$129,134 (2021: HK\$194,932), as disclosed in note 6(c), the Fund had the following additional balances with the Custodian and its related parties.

	2022 HK\$	2021 HK\$
Financial assets at fair value through profit or loss	1,146,258,440	1,712,752,156
Bank balance	10,996,725	85,090,268
Bank overdrafts	-	(26,063,285)
Interest income receivable	1,934	4
Transaction costs payable	(1,575)	(694)
Company secretary and registered office fees prepayment	28,085	5,472
Annual service fees payable	(7,592)	(1,949)
Interest expenses payable	(43,469)	(1,946)

During the years ended 31 December 2022 and 2021, the Fund entered into forward exchange contracts with The Hongkong and Shanghai Banking Corporation Limited, a connected person of the Custodian, with realised loss amounting to HK\$1,345,288 (2021: realised loss amounting to HK\$1,273,596). As at 31 December 2022, the Fund held the outstanding forward exchange contracts as financial assets HK\$151,327 (2021: HK\$132,562) and no financial liabilities (2021: HK\$Nil) with The Hongkong and Shanghai Banking Corporation Limited.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**7 TAXATION****(a) Cayman Islands**

The Fund has obtained an undertaking from the Financial Secretary of the Cayman Islands that, in accordance with the existing trust law of the Cayman Islands, for a period of 50 years from 20 October 2008, no laws thereafter enacted in the Cayman Islands imposing any tax on profits, income, gains or appreciations will apply to the Fund.

(b) Hong Kong

No provision for Hong Kong profits tax has been made as the dividends and interest income and realised gains on sale of investments of the Fund are excluded from the charge to profits tax under Section 14, 26 or 26A of the Hong Kong Inland Revenue Ordinance.

(c) People's Republic of China ("PRC")

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.

According to Caishui [2014] No. 81 and Caishui [2016] No. 127, capital gains derived by overseas investors from the trading of China A Shares via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are temporarily exempt from PRC corporate income tax.

The Fund invests in A-Shares is subjected to 10% withholding income tax ("WIT") on dividend income derived from the shares. WIT was charged on dividend income received from the shares during the years ended 31 December 2022 and 2021.

Capital gains tax on H-shares in PRC

The Fund has investments in shares of companies in PRC listed on the Hong Kong Stock Exchange ("H-shares"). Under general taxing provisions of the Corporate Income Tax Law ("CIT Law"), a Fund could be technically subject to 10% WIT on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties. However, there may be practical difficulty for the PRC tax authorities to impose and collect WIT on such capital gains. The 10% WIT has not been strictly enforced by local tax bureau on capital gains derived by non-tax resident enterprises of the PRC from the trading of H-Shares. Where capital gains are derived from trading of H-Shares, VAT in general is not imposed as the purchase and disposal are often concluded and completed outside the PRC.

No provision was made for taxation from such gains in the financial statements as the Manager believes that the taxation on capital gains derived from H-Shares is not probable under the current enforcement environment

(d) Other jurisdictions

Overseas withholding tax was charged on certain dividends and investment income received during the years ended 31 December 2022 and 2021.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 TRANSACTION COSTS

Transaction costs are costs incurred to acquire/dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers.

During the years ended 31 December 2022 and 2021, following transaction costs were incurred by the Fund.

	2022 HK\$	2021 HK\$
Brokerage fees	2,625,947	6,378,335
Other transaction costs	3,003,406	6,633,579
Transaction handling fees	46,024	48,085
	<u>5,675,377</u>	<u>13,059,999</u>

9 DISTRIBUTION TO DISTRIBUTION CLASSES

As referred to in Note 5, the Manager may determine to make a distribution out of the net income and/or capital attributable to Distribution Classes only. The table below summarises the dividend distribution made during the reporting period. The distribution is included in the statement of comprehensive income and is made to the Distribution Classes only.

	2022 HK\$	2021 HK\$
Total comprehensive loss for the year	<u>(480,638,540)</u>	<u>(126,282,373)</u>
Distributions to Distribution Classes shareholders during the year	<u>(7,122,039)</u>	<u>(7,053,605)</u>

The Fund has no undistributed net income at the beginning of the year and at the end of the year.

The table below summarises the dividend distribution made during the reporting period:

Classes	2022	2021	Frequency	Ex-dividend dates*
Class A2 QDis shares	HKD0.0607	HKD0.0607	Quarterly	Last business day of March, June, September and December.

* Last business day of each quarter in 2022 are 31 March 2022, 30 June 2022, 30 September 2022, 30 December 2022.
Last business day of each quarter in 2021 are 31 March 2021, 30 June 2021, 30 September 2021, 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**10 SOFT DOLLAR 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 are 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 will consider many judgemental factors deemed relevant in determining whether a broker will provide best execution. In general, investment orders will be 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 Fund Manager obtained (the services) through soft dollar arrangements valued at approximately HK\$1,127,975,551 (2021: approximately HK\$2,054,126,372). Commission which amounted to HK\$1,694,033 (2021: HK\$3,042,732) is paid from the Fund on these transactions.

11 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 25 April 2023.

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 DECEMBER 2022

	Holdings	Fair value HK\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed equity securities			
<i>China</i>			
Centre Testing International Group Co Ltd A Shares (SZHK)	492,000	12,296,963	1.07
East Money Information Co Ltd A Shares (SZHK)	1,100,987	23,939,321	2.08
Kweichow Moutai Co Ltd A Shares (SHHK)	24,738	47,883,383	4.15
Inner Mongolia Yili Industrial Group Co Ltd A Shares (SHHK)	324,681	11,280,971	0.98
LONGi Green Energy Technology Co Ltd A Shares (SHHK)	331,273	15,690,740	1.36
Maxscend Microelectronics Co Ltd A Shares (SZHK)	26,500	3,394,846	0.29
		114,486,224	9.93
<i>Hong Kong - H Shares</i>			
China International Capital Corp Ltd H Shares	1,350,800	20,126,920	1.76
China Merchants Bank Co Ltd H Shares	577,000	25,186,050	2.18
ZTE Corp H Shares	1,106,600	19,033,520	1.65
China BlueChemical Ltd H Shares	9,670,000	17,889,500	1.55
China Longyuan Power Group Corp Ltd H Shares	1,015,000	9,683,100	0.84
China Railway Construction Corp Ltd H Shares	8,192,500	38,258,975	3.32
China Railway Group Ltd H Shares	6,270,000	25,832,400	2.24
China Telecom Corp Ltd H Shares	11,504,000	35,317,280	3.06
China Vanke Co Ltd H Shares	776,500	12,268,700	1.06
Ping An Insurance (Group) Co of China Ltd H Shares	576,500	29,776,225	2.58
Zijin Mining Group Co Ltd H Shares	1,994,000	21,096,520	1.83
		254,469,190	22.07
<i>Hong Kong - Red Chips</i>			
China Mobile Ltd	849,500	43,961,625	3.81
BOC Hong Kong Holdings Ltd	533,000	14,177,800	1.23
CNOOC Ltd	1,326,000	13,233,480	1.15
		71,372,905	6.19

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INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value HK\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
<i>Hong Kong - Others</i>			
AIA Group Ltd	791,000	68,658,800	5.96
Alibaba Group Holding Ltd	558,000	48,127,500	4.17
Anta Sports Products Ltd	300,600	30,751,380	2.67
Bosideng International Holdings Ltd	5,358,000	19,878,180	1.72
China Mengniu Dairy Co Ltd	567,000	20,071,800	1.74
Chinasoft International Ltd	2,100,000	14,259,000	1.24
KWG Living Group Holdings Ltd	3,814,000	6,598,220	0.57
Li Ning Co Ltd	503,000	34,078,250	2.96
Meituan	285,300	49,841,910	4.32
Techtronic Industries Co Ltd	126,000	10,974,600	0.95
Tencent Holdings Ltd	143,700	47,995,800	4.16
Truly International Holdings Ltd	1,616,000	1,971,520	0.17
Chow Tai Fook Jewellery Group Ltd	2,020,000	32,158,400	2.79
JD.com Inc	60,664	13,358,213	1.16
Kerry Logistics Network Ltd	739,500	10,382,580	0.90
Luk Fook Holdings International Ltd	1,372,800	31,848,960	2.76
NetEase Inc	89,600	10,259,200	0.89
Nissin Foods Co Ltd	3,052,000	20,417,880	1.77
Yum China Holdings Inc	93,100	40,870,900	3.55
		512,503,093	44.45

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INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value HK\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
<i>Taiwan</i>			
MediaTek Inc	26,000	4,120,547	0.36
Taiwan Semiconductor Manufacturing Co Ltd	623,000	70,851,982	6.15
Arcadyan Technology Corp	1,216,000	29,508,492	2.56
Asia Vital Components Co Ltd	319,000	9,059,625	0.79
King Slide Works Co Ltd	44,000	4,284,355	0.37
Marketch International Corp	338,000	10,113,471	0.88
Wistron Neweb Corp	258,000	5,129,054	0.44
Wiwynn Corp	28,000	5,658,715	0.49
Zhen Ding Technology Holding Ltd	396,000	10,543,529	0.91
		<u>149,269,770</u>	<u>12.95</u>
<i>The United States of America</i>			
Pinduoduo Inc ADR (1 ADR Reps 4 Ord Shrs)	69,201	<u>44,005,931</u>	<u>3.82</u>

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INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value HK\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Unlisted equity securities			
<i>Hong Kong</i>			
Euro-Asia Agricultural (Holdings) Co Ltd	4,266,000	-	-
Real Gold Mining Ltd	1,270,000	-	-
		-	-
Forward exchange contracts		151,327	0.01
Total financial assets at fair value through profit or loss		<u>1,146,258,440</u>	<u>99.42</u>
Total investments, net		<u>1,146,258,440</u>	<u>99.42</u>
Total investments, at cost		<u>1,383,595,769</u>	

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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INVESTMENT PORTFOLIO MOVEMENT (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2022

	% of net assets	
	2022	2021
Listed equity securities		
China	9.93	15.85
Hong Kong		
- H shares	22.07	13.86
- Red chips	6.19	6.66
- Others	44.45	50.27
Taiwan	12.95	12.44
The United States of America	3.82	-
	99.41	99.08
Unlisted equity securities	-	-
Forward exchange contracts	0.01	0.01
Total investments, net	<u>99.42</u>	<u>99.09</u>

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

The Fund's financial derivative instruments at the reporting date are as follows:

Financial assets:

Forward exchange contracts

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counterparty	Fair value HK\$
HKD	4,667,335	AUD	899,313	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	103,158
HKD	3,510,896	CAD	616,521	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	38,961
HKD	3,139,127	NZD	636,928	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	9,208
						<u>151,327</u>

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

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INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund's total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest gross exposure	0.95%	1.52%
Highest gross exposure	7.07%	7.38%
Average gross exposure	2.32%	2.97%

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund's total net asset value for the years ended 31 December 2022 and 2021.

	2022	2021
	% of NAV	% of NAV
Lowest net exposure	-	-
Highest net exposure	-	-
Average net exposure	-	-

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

PERFORMANCE RECORD (UNAUDITED)

Net assets (at last traded price)

	2022	2021	2020
Net assets	HK\$1,152,925,241	HK\$1,728,498,542	HK\$1,925,434,385
Net asset value per share			
Class A HKD	HKD62.61	HKD86.30	HKD92.36
Class A USD	USD10.28	USD14.17	USD15.34
Class A AUD Hedged	AUD9.64	AUD13.75	AUD14.99
Class A CAD Hedged	CAD9.69	CAD13.61	CAD14.77
Class A NZD Hedged	NZD9.79	NZD13.64	NZD14.91
Class A2 QDis	HKD10.14	HKD14.31	HKD15.57
Class Z	USD12.11	USD16.58	USD17.68

Performance record for the past 10 years

Highest issue price per share								
	Class A HKD <i>HKD</i>	Class N <i>HKD</i>	Class A USD <i>USD</i>	Class A AUD Hedged <i>AUD</i>	Class A CAD Hedged <i>CAD</i>	Class A NZD Hedged <i>NZD</i>	Class A2 QDis <i>HKD</i>	Class Z <i>USD</i>
2022	87.03	–	14.31	13.86	13.72	13.76	14.43	16.74
2021	107.96	–	17.92	17.48	17.23	17.46	18.19	20.67
2020	92.36	86.95	15.34	14.99	14.77	14.91	15.57	17.68
2019	69.96	69.96	11.60	11.70	11.42	11.56	12.14	13.26
2018	76.29	76.29	12.57	12.97	12.59	13.23	13.63	14.20
2017	72.09	72.09	11.88	12.26	11.94	12.52	12.92	13.44
2016	55.29	55.29	9.15	9.32	9.10	9.54	10.08	10.18
2015	73.59	73.59	12.41	12.60	12.44	12.73	13.60	–
2014	62.82	62.82	10.64	10.69	10.65	10.66	11.78	10.57
2013	59.50	59.50	–	–	–	–	11.33	10.49

VALUE PARTNERS CHINA GREENCHIP FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)

PERFORMANCE RECORD (UNAUDITED) (Continued)

Performance record for the past 10 years (Continued)

Lowest redemption price per share								
	Class A HKD <i>HKD</i>	Class N <i>HKD</i>	Class A USD <i>USD</i>	Class A AUD <i>AUD</i>	Class A CAD <i>CAD</i>	Class A NZD <i>NZD</i>	Class A2 QDis <i>HKD</i>	Class Z <i>USD</i>
2022	48.51	–	7.91	7.52	7.53	7.63	7.91	9.31
2021	82.83	–	13.60	13.20	13.07	13.09	13.79	15.90
2020	50.25	50.25	8.37	8.26	8.13	8.18	8.68	9.58
2019	52.46	52.46	8.65	8.85	8.61	8.74	9.22	9.84
2018	51.61	51.61	8.50	8.73	8.48	8.61	9.12	9.65
2017	51.01	51.01	8.44	8.61	8.38	8.84	9.30	9.63
2016	43.44	43.44	7.16	7.29	7.18	7.43	7.92	9.47
2015	48.58	48.58	8.05	8.14	8.05	8.27	8.90	–
2014	56.18	56.18	9.90	9.92	9.93	9.92	10.61	10.01
2013	48.49	48.49	–	–	–	–	9.89	9.88