



**Value Partners**  
*Investing through discipline*

**VALUE PARTNERS  
GREATER CHINA HIGH YIELD INCOME FUND**

**2022** ANNUAL  
REPORT

For the year ended 31 December 2022

**Value Partners Hong Kong Limited**

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# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

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# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## GENERAL INFORMATION

### Directors

Mr. Lam Wai Sing Wilson  
Ms. Lam Mei Kuen Winnie  
Mr. Kee Chong Li Kwong Wing

### Manager

Value Partners Hong Kong 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 Delegate

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:*

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

### Registered and Principal Office

*Registered Office:*  
c/o Maples Corporate Services Limited  
P. O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

### *Principal Office:*

c/o Maples Fund Services  
(Cayman) Limited  
P.O. Box 1093  
Boundary Hall  
Cricket Square  
Grand Cayman  
KY1-1102  
Cayman Islands

### Auditor

PricewaterhouseCoopers  
P.O. Box 258  
18 Forum Lane  
Camana Bay  
Grand Cayman  
KY1-1104  
Cayman Islands

### Legal Advisors

*With respect to Cayman Islands law*  
Maples and Calder  
P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

### *With respect to Hong Kong and International law*

Deacons  
5th Floor, Alexandra House  
18 Chater Road, Central  
Hong Kong

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# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## GENERAL INFORMATION (Continued)

### Recent awards and achievements

Fund awards	
2020	<ul style="list-style-type: none"><li>• <b>2020 HKCAMA-Bloomberg Offshore China Fund Awards</b> <b>Best Total Return - Greater China Fixed Income (5-year) – Winner</b> – <i>HKCAMA &amp; Bloomberg</i></li><li>• <b>Refinitiv Lipper Awards 2020 – Hong Kong</b> <b>Bond USD High Yield (5-Year)</b> – <i>Refinitiv</i></li><li>• <b>I&amp;M Professional Investment Awards 2020</b> <b>Asian High Yield (3-Years)</b> <b>Asian High Yield (5-Years)</b> – <i>Insights and Mandates</i></li></ul>
2019	<ul style="list-style-type: none"><li>• <b>2019 HKCAMA-Bloomberg Offshore China Fund Awards</b> – <b>Best Total Return – Greater China Fixed Income 3-Year</b> – <b>Best Total Return – Greater China Fixed Income 5-Year</b> – <i>HKCAMA &amp; Bloomberg</i></li><li>• <b>Lipper Fund Awards 2019 – Hong Kong</b> <b>Best US Dollar Bond Fund: High Yield (3 Years)</b> <b>Best US Dollar Bond Fund: High Yield (5 Years)</b> – <i>Refinitiv</i></li><li>• <b>Fund Selector Asia Awards Hong Kong 2019</b> <b>High Yield Fund – Platinum Winner</b> – <i>Fund Selector Asia</i></li></ul>

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### GENERAL INFORMATION (Continued)

#### Recent awards and achievements (Continued)

Corporate awards	
2021	<ul style="list-style-type: none"><li>• <b>Asian Private Banker Asset Management Awards for Excellence 2021</b> <b>Best Fund Provider - High Yield Bond</b> – <i>Asian Private Banker</i></li></ul>
2020	<ul style="list-style-type: none"><li>• <b>The Asset Benchmark Research 2020</b> <b>Top Investment House in Asian G3 Bonds (Asset Managers category)</b> – <i>The Asset</i></li><li>• <b>I&amp;M Professional Investment Awards 2020</b> <b>CIO of the Year (Fixed Income, Hong Kong)</b> <b>Winner: Gordon IP</b> – <i>Insights and Mandate</i></li></ul>
2019	<ul style="list-style-type: none"><li>• <b>The Asset Benchmark Research Awards 2019</b> <b>Top Investment House in Asian G3 Bonds (Hedge Fund category)</b> <b>Top Investment House in Asian Local Currency Bond (Hedge Fund category)</b> – <i>The Asset</i></li></ul>
2018	<ul style="list-style-type: none"><li>• <b>I&amp;M Professional Investment Awards 2018</b> <b>House Performance Awards: Offshore China Equity (10-Year)</b> – <i>Insights and Mandate</i></li><li>• <b>Benchmark Fund of the Year Awards 2018, Hong Kong</b> <b>Asia ex-Japan Equity House: Best-In-Class</b> – <i>Benchmark</i></li><li>• <b>Benchmark Fund of the Year Awards 2018, Hong Kong</b> <b>Greater China Equity House: Outstanding Achiever</b> – <i>Benchmark</i></li></ul>

## MANAGER'S REPORT

### Market Review:

The Chinese credit market continued its strong rebound in December as Chinese authorities rolled out new measures to relax its Covid restrictions, which supports the overall market sentiment. China announced 10 new measures to further relax local Covid restrictions on the 7th of December. The new measures are precise, with more execution details shortly after rolling out 20 measures in November. After the new 10 measures were introduced, many cities, including Guangzhou, Chongqing, and Shanghai, have announced their fine-tuned local Covid policies.

Given the sharp acceleration of China's relaxation of Covid policies recently, we believe it can certainly facilitate the reopening of the country and economic growth in the new year. Although property sales in China remained sluggish in December, where home prices have continued to ease, we expect Chinese authorities will continue to launch supportive measures, and the relaxation of Covid policies can certainly improve the overall demand in the market.

### Performance:

The Greater China High Yield Income Fund was up 9% in December, slightly underperforming the China High Yield market and performing in line with broader Asian high yield. The main performance contribution was our China real estate exposure, as the sector rebounded significantly given the strong policy support from authorities. Another contributor was Macau gaming, which is obviously one of the biggest beneficiaries of China's reopening. As the overall sentiment towards the China and Asian high yield markets improved and fund flows started to return, other parts of the market, such as India and Indonesia, as well as other sectors, including Chinese industrials, also delivered positive returns, although to a lesser extent relative to the property sector.

Over the month, we continued adding back to the China/Hong Kong real estate sector, focusing on selective, high-quality names to capture the rebound. Together with market movement and active addition, the exposure in China/Hong Kong real estate went from about 20% to 29% over the month. We have also been rotating back into names that would benefit from the reopening, such as Macau gaming and travel-related (e.g. car rental) industries. That said, the year-end rally helped narrow the whole-year loss in an otherwise extremely difficult, volatile market of 2022, the Fund still recorded losses of 30% during the year.

### Outlook & Strategy:

Over the last few weeks in December, the government has announced new supportive policies for the real estate sector almost every week. This is a clear signal that authorities are committed to stabilising the real estate sector, which is one of the primary drivers of the economy. This confirms our conviction that the worst is behind us for the property sector from a policy standpoint.

For the economy, the reopening has been fast and drastic; hence infection has skyrocketed, which could have a short-term impact on investors' confidence. We might see some volatility in the near term as a result, but we believe that the rebound in consumption will be significant starting from the second quarter of 2023. Therefore, any short-term pullback could present a good entry point for investors who have yet to rebuild their positions in China.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## MANAGER'S REPORT (Continued)

### Outlook & Strategy (Continued):

From a property standpoint, we believe that demand for property will likely remain slow near term but could rebound in the medium term with the recovery of the economy. Given the importance of the sector for consumer confidence, the authorities are incentivised to ensure moderate growth returns. It is important to monitor whether there are further supportive measures should demands fail to recover in the next few months.

It is also encouraging to see that some property developers are returning to the market with new issuance, which is significantly positive for the market. We do not expect a lot of supply, but the availability of funding/refinancing channels is important to rebuild investors' confidence in the asset class. As fund flows return, technicals are also likely to be supportive over the medium term as demands increase.

In our strategy, we are well-positioned to benefit from the recovery through the fund's increased exposure to the property sector, as well as other beneficiaries of China's reopening, such as Macau gaming and other holdings in China in sectors like materials and consumption. We will continue to be active in managing these positions, taking profit from non-China plays and names that have fully priced in the recovery story and focusing on cheaper papers which will also benefit from the recovery of the Chinese economy.

## Value Partners Hong Kong Limited

25 April 2023

*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 Hong Kong 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 GREATER CHINA HIGH YIELD INCOME FUND

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

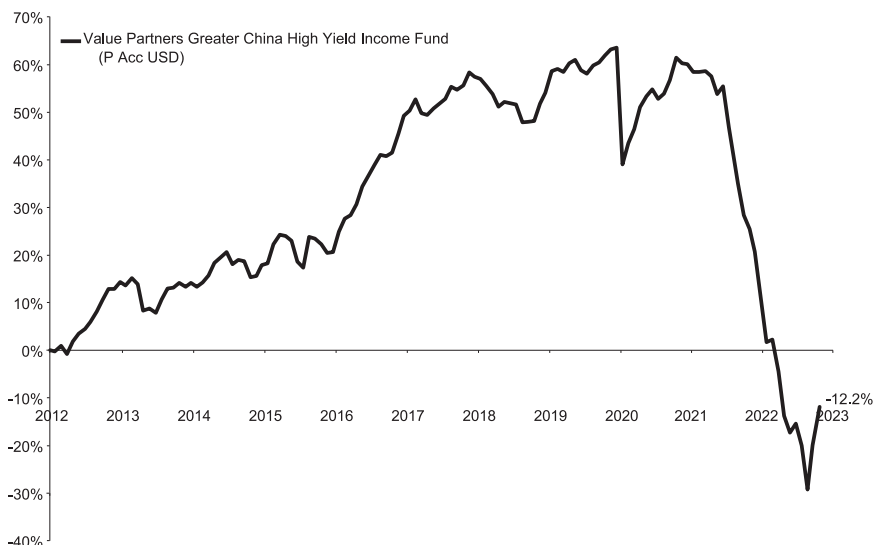
## MANAGER'S REPORT (Continued)

### Value Partners Greater China High Yield Income Fund – NAV as at 31 December 2022

Classes	NAV per unit
P Acc USD	USD8.78
P MDis USD	USD3.25
P Acc HKD	HKD8.75
P MDis HKD	HKD3.25
P MDis SGD Hedged	SGD3.50
A MDis AUD Hedged	AUD3.09
A MDis CAD Hedged	CAD3.20
A Acc EUR Hedged	EUR5.31
A MDis EUR Hedged	EUR3.43
A MDis GBP Hedged	GBP3.25
A MDis NZD Hedged	NZD3.25
A MDis RMB Hedged	RMB3.70
A MDis RMB Unhedged	RMB3.63
A Acc RMB Hedged	RMB8.34
z MDis USD	USD3.69
z Acc USD	USD7.62
X Acc USD	USD6.53

### Performance since launch

From 28 March 2012 to 31 December 2022



# **VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND**

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

## **STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS AND THE MANAGER**

### **Directors' and Manager's responsibilities**

The Directors and the Manager, Value Partners Hong Kong 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 5 March 2012 (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 Greater China High Yield Income Fund (the "Fund") at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Management 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 Management is also required to manage the Fund in accordance with the amended and restated Memorandum and Articles of Association dated 5 March 2012 (as amended) and take reasonable steps for the prevention and detection of fraud and other irregularities.

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### CUSTODIAN'S REPORT

We hereby confirm that, in our opinion, the Manager, Value Partners Hong Kong Limited has, in all material respects, managed Value Partners Greater China High Yield Income Fund in accordance with the provisions of the amended and restated Memorandum and Articles of Association dated 5 March 2012 (as amended) for the year ended 31 December 2022.

For and on behalf of

**HSBC Institutional Trust Services (Asia) Limited**

Custodian

25 April 2023

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND FOR THE SHAREHOLDERS (AS BODY)

### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Value Partners Greater China High Yield Income Fund (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 redeemable participating 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 GREATER CHINA HIGH YIELD INCOME FUND

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

### **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND 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 5 March 2012 (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").

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND 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.

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND FOR THE SHAREHOLDERS (AS BODY) (Continued)

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

- 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.

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 GREATER CHINA HIGH YIELD INCOME FUND

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

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 US\$	2021 US\$
<b>Assets</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	4(d)	574,266,910	1,389,257,158
Amounts receivable on sales of investments		–	6,284,798
Amounts receivable on issue of shares		1,103,968	2,950,732
Dividend, interest receivable and other receivables		3,130,542	12,937,500
Margin deposits		609,624	196,825
Bank balances		12,039,151	82,078,841
<b>Total assets</b>		591,150,195	1,493,705,854
<b>Equity</b>			
Administrative shares	6	100	100
<b>Total equity</b>		100	100
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss	4(d)	98,644	908,071
Amounts payable on purchase of investments		–	10,912,547
Amounts payable on redemption of shares		449,313	1,970,588
Management fees payable		711,201	1,835,420
Distributions payable to redeemable participating shareholders	10	4,123,402	10,366,278
Accruals and other payables		504,543	237,031
<b>Liabilities (excluding net assets attributable to redeemable participating shareholders)</b>		5,887,103	26,229,935
<b>Net assets attributable to redeemable participating shareholders</b>	6	585,262,992	1,467,475,819

Signed by:  
Director

The notes on pages 21 to 64 are an integral part of these financial statements.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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 US\$	2021 US\$
<b>Income</b>			
Dividends		692,775	3,305,338
Net realised losses on investments		(558,129,044)	(282,812,009)
Change in unrealised gains/losses on investments		151,665,952	(205,628,575)
Interest on deposits	7(g)	247,969	38,055
Net foreign exchange losses		(4,992,172)	(3,377,140)
Other income		<u>1,776,050</u>	<u>10,413,360</u>
		<u>(408,738,470)</u>	<u>(478,060,971)</u>
<b>Expenses</b>			
Management fees	7(a)	(12,061,781)	(36,354,278)
Administration and custodian fees	7(b)	(1,095,591)	(3,313,795)
Safe custody and bank charges	7(g)	(145,963)	(337,046)
Interest expenses	7(g)	(15,175)	(1,215,600)
Transaction costs	7(g) & 9	(248,673)	(1,116,514)
Auditor's remuneration		(42,620)	(43,200)
Legal and professional fees		(1,407,994)	(3,669,924)
Other operating expenses	7(g)	<u>(2,069,102)</u>	<u>(1,609,235)</u>
		<u>(17,086,899)</u>	<u>(47,659,592)</u>
<b>Loss before tax</b>		(425,825,369)	(525,720,563)
Withholding tax on dividends and other investment income	8(c)	<u>(35,705)</u>	<u>(84,127)</u>
<b>Loss after tax and before distributions</b>		(425,861,074)	(525,804,690)
Distributions to redeemable participating shareholders	10	<u>(75,128,384)</u>	<u>(201,194,906)</u>
<b>Decrease in net assets attributable to redeemable participating shareholders from operations</b>		<u>(500,989,458)</u>	<u>(726,999,596)</u>

The notes on pages 21 to 64 are an integral part of these financial statements.

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 US\$	2021 US\$
<b>Net assets attributable to redeemable participating shareholders as at 1 January</b>	1,467,475,819	3,666,959,904
Issue of shares	49,904,779	425,911,900
Redemption of shares	(431,128,148)	(1,898,396,389)
<b>Net decrease from capital transactions</b>	(381,223,369)	(1,472,484,489)
Loss after tax and before distributions	(425,861,074)	(525,804,690)
Distributions to redeemable participating shareholders	(75,128,384)	(201,194,906)
<b>Decrease in net assets attributable to redeemable participating shareholders from operations after distributions</b>	(500,989,458)	(726,999,596)
<b>Net assets attributable to redeemable participating shareholders as at 31 December</b>	585,262,992	1,467,475,819

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Number of shares	As at 1 January	Issue of shares	Redemption of shares	As at 31 December
<b>2022</b>				
Class P USD Acc	4,614,315	118,247	(1,655,408)	3,077,154
Class P USD MDis	88,638,269	1,220,704	(35,524,780)	54,334,193
Class P HKD Acc	6,296,980	536,341	(2,620,335)	4,212,986
Class P HKD MDis	774,512,813	45,228,198	(310,079,225)	509,661,786
Class P SGD Hedged MDis	6,047,746	65,469	(2,500,358)	3,612,857
Class A AUD Hedged MDis	27,705,953	673,534	(7,572,885)	20,806,602
Class A CAD Hedged MDis	4,595,050	40,166	(595,074)	4,040,142
Class A EUR Hedged Acc	204,079	99,403	(181,187)	122,295
Class A EUR Hedged MDis	3,678,648	122,324	(1,496,423)	2,304,549
Class A GBP Hedged MDis	3,020,746	59,148	(821,172)	2,258,722
Class A NZD Hedged MDis	5,638,063	44,601	(1,316,306)	4,366,358
Class A MDis RMB Hedged	11,183,775	136,071	(1,543,202)	9,776,644
Class A MDis RMB Unhedged	1,791,315	133	(60,508)	1,730,940
Class A Acc RMB Hedged	555,086	-	(164,157)	390,929
Class z USD MDis	21,222,354	1,255,838	(16,449,015)	6,029,177
Class z USD Acc	7,092,000	1,260,886	(2,351,772)	6,001,114
Class X USD Acc	43,637	-	(23,898)	19,739

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

The movement of number of shares in issue during the years was as follows: (Continued)

Number of shares	As at 1 January	Issue of shares	Redemption of shares	As at 31 December
<b>2021</b>				
Class P USD Acc	9,786,507	513,345	(5,685,537)	4,614,315
Class P USD MDis	145,268,279	11,578,831	(68,208,841)	88,638,269
Class P HKD Acc	68,461,145	47,133,628	(109,297,793)	6,296,980
Class P HKD MDis	1,440,227,481	127,869,389	(793,584,057)	774,512,813
Class P SGD Hedged MDis	8,509,253	321,487	(2,782,994)	6,047,746
Class A AUD Hedged MDis	45,646,029	2,459,430	(20,399,506)	27,705,953
Class A CAD Hedged MDis	8,327,744	256,487	(3,989,181)	4,595,050
Class A EUR Hedged Acc	1,059,254	248,094	(1,103,269)	204,079
Class A EUR Hedged MDis	5,681,835	444,569	(2,447,756)	3,678,648
Class A GBP Hedged MDis	5,221,452	573,400	(2,774,106)	3,020,746
Class A NZD Hedged MDis	7,345,286	919,800	(2,627,023)	5,638,063
Class A MDis RMB Hedged	34,873,614	953,227	(24,643,066)	11,183,775
Class A MDis RMB Unhedged	2,882,947	1,475	(1,093,107)	1,791,315
Class A Acc RMB Hedged	1,840,334	114,450	(1,399,698)	555,086
Class A Acc RMB Unhedged	750,000	–	(750,000)	–
Class z USD MDis	30,174,140	1,388,223	(10,340,009)	21,222,354
Class z USD Acc	9,943,659	6,462,283	(9,313,942)	7,092,000
Class X USD Acc	51,912	36,575	(44,850)	43,637

The notes on pages 21 to 64 are an integral part of these financial statements.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 US\$	2021 US\$
<b>Cash flows from operating activities</b>		
Decrease in net assets attributable to redeemable participating shareholders from operations	(500,989,458)	(726,999,596)
Adjustments for:		
Dividends	(692,775)	(3,305,338)
Interest on deposits	(247,969)	(38,055)
Distribution to redeemable participating shareholders	75,128,384	201,194,906
Withholding tax on dividends and other investment income	35,705	84,127
Interest expenses	15,175	1,215,600
	<u>(426,750,938)</u>	<u>(527,848,356)</u>
Decrease in financial assets at fair value through profit or loss	814,990,248	2,277,870,002
(Decrease)/increase in financial liabilities at fair value through profit or loss	(809,427)	878,548
(Increase)/decrease in margin deposits	(412,799)	6,970,072
Decrease in amounts receivable on sales of investments	6,284,798	1,549,714
(Decrease)/increase in amounts payable on purchase of investments	(10,912,547)	3,922,442
Decrease in other receivables	9,788,146	148,103
Decrease in management fees payable	(1,124,219)	(2,657,803)
Increase/(decrease) in accruals and other payables	256,294	(279,152)
	<u>391,309,556</u>	<u>1,760,553,570</u>
Cash generated from operations	391,309,556	1,760,553,570
Dividends received	680,631	3,273,172
Interest on deposits received	243,007	40,731
Interest expenses paid	(3,744)	(1,214,608)
	<u>392,229,450</u>	<u>1,762,652,865</u>
<b>Net cash inflow from operating activities</b>	<u>392,229,450</u>	<u>1,762,652,865</u>

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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 US\$	2021 US\$
<b>Cash flows from financing activities</b>		
Distributions paid to redeemable participating shareholders	(81,371,260)	(213,700,533)
Proceeds from issue of redeemable participating shares	51,751,543	430,205,648
Payments on redemption of redeemable participating shares	<u>(432,649,423)</u>	<u>(1,915,442,332)</u>
<b>Net cash outflow from financing activities</b>	<u><u>(462,269,140)</u></u>	<u><u>(1,698,937,217)</u></u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(70,039,690)	63,715,648
Cash and cash equivalents as at 1 January	<u>82,078,841</u>	<u>18,363,193</u>
<b>Cash and cash equivalents as at 31 December, representing bank balances</b>	<u><u>12,039,151</u></u>	<u><u>82,078,841</u></u>

The notes on pages 21 to 64 are an integral part of these financial statements.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1 GENERAL INFORMATION

Value Partners Greater China High Yield Income Fund (the “Fund”) is an open-ended investment company incorporated as an exempted company with limited liability in the Cayman Islands on 3 February 2012 (date of incorporation). The Fund is registered under the Mutual Funds Act (revised) of the Cayman Islands, governed by the laws of the Cayman Islands and regulated by the Cayman Islands Monetary Authority. With effect from 20 June 2013, 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 aims to provide capital appreciation for investors. In addition, in respect of the Distribution Classes, the Fund also intends to pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. Please note that there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. The Fund's investment activities are managed by Value Partners Hong Kong Limited (the “Manager”). The Fund's administration is delegated to HSBC Institutional Trust Services (Asia) Limited, an affiliate of HSBC Trustee (Cayman) Limited (the “Administrator”). The registered office is c/o Maples Corporate Services Limited and address is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and principal office is c/o Maples Fund Services (Cayman) Limited and address is P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, 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 of Value Partners Greater China High Yield Income Fund have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including financial derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Fund's accounting policies.

All reference to net assets throughout this document refers to net assets attributable to redeemable participating shareholders unless otherwise stated.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## 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, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of 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 early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

#### (b) Investment entity

The Fund has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- (i) The Fund has multiple investments;
- (ii) The Fund obtained funding for the purpose of providing investors with investment management services;
- (iii) The Fund's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income; and
- (iv) The performance of investments made through the investee funds are measured and evaluated on a fair value basis.

The Fund meets all of the typical characteristics of an investment entity and management believes it is an investment entity. The Fund is required to account for unconsolidated structured entities at fair value through profit and loss.

#### (c) Interest in unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity.

The Fund considers all of its investments in investee funds to be investments in unconsolidated structured entities. The Fund invests in investee funds whose objectives range from achieving medium to long term capital growth and whose investment strategy does not include the use of leverage. The investee funds are managed by the Manager who apply various investment strategies to accomplish the respective investment objectives of the investee Funds.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****(c) Interest in unconsolidated structured entities (Continued)**

The Fund's investments in unconsolidated structured entities are shown as financial assets at fair value through profit and loss. The change in fair value of each investee fund is included in the statement of comprehensive income.

**(d) 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 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.

**(ii) Recognition/derecognition**

Regular 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.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### (iii) *Measurement*

Financial assets and liabilities 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 and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the 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.

Debt securities are fair valued based on quoted prices inclusive of accrued interest. The fair value of debt securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Refer to note 4(d) for the details of valuation techniques used.

Investments in investee funds are stated at fair value based on the net asset value per unit/shares of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the investee funds are listed or traded on an exchange. When trading of financial assets and liabilities is suspended, the investment is valued at the manager's estimate of its fair value.

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

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **(e) Income**

##### **(i) *Interest income***

Interest on bank deposits is recognised in the statement of comprehensive income on a time-proportionate basis using the effective interest method. Interest income earned from debt securities is grouped under net realised losses on investments or change in unrealised gains/losses on investments.

Interest on debt securities is recognised in the statement of comprehensive income within “net realised losses on investments” and “change in unrealised gains/losses on investments” which depends on whether the Fund holds that debt security as at year end.

##### **(ii) *Dividends***

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

#### **(f) Expenses**

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

##### **(g) 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. Transaction costs when incurred, are immediately recognised in profit or loss as an expense.

##### **(h) Distributions to redeemable participating shareholders**

Proposed distributions to redeemable participating 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 redeemable participating shares is recognised in the statement of comprehensive income.

##### **(i) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Fund currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) 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 redeemable participating shareholders in United State dollar (“US\$”). The Manager considers US\$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US\$, 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 on investments” and “change in unrealised gains/losses on investments”.

#### (k) 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.

#### (l) Cash and cash equivalents

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

#### (m) Collaterals

Cash collaterals provided by the Fund are identified in the statement of financial position as margin deposits and are not included as a component of cash and cash equivalents.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **(n) Share capital**

##### **(i) Administrative shares**

Administrative shares of the Fund are classified as equity.

##### **(ii) Redeemable participating shares**

Redeemable participating shares of the Fund are classified as financial liabilities and are issued or redeemed at the redeemable participating shareholder'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 redeemable participating shareholders with the total number of outstanding shares.

The redeemable participating 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 Units and payment of the redemption proceeds to the shareholders may not exceed 30 days. The amounts payable on redemption of shares are recognised when the redemption requests are received but not yet settled.

### **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)

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Continued)

##### *Fair value of financial instruments not quoted in an active market (Continued)*

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 investments held by the Fund included unlisted equity securities of US\$4,327,903 (2021: US\$30,154,331), quoted debt securities of US\$585,278 and unquoted debt securities of US\$7,200,766 (2021: US\$31,322,629 for quoted debt securities and US\$81,598,127 for unquoted debt securities) and unlisted investment funds of US\$25,921,750 (2021: US\$36,575,400), which are classified as level 3 investments. Refer to Note 4 (d) for further details.

##### *Fair value of securities that are suspended from trading and level 3 investment*

As at 31 December 2022, the investment held by the Fund included quoted debt security of US\$nil (2021: US\$2,966,033), which is classified as level 3 investments. Refer to Note 4 (d) for further details.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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 United States 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 exchange rates and the estimated impact on net assets. Non-monetary investments include equity securities and equity related derivatives. Monetary investments include debt securities and currency forwarding.

	Total net foreign currency exposures		Percentage change %	Estimated impact on net assets US\$
	Non- monetary net assets US\$ equivalent	Monetary net assets US\$ equivalent		
<b>As at 31 December 2022</b>				
Australian dollar	–	43,633,891	+/-5	+/-2,181,695
Canadian dollar	–	9,532,441	+/-5	+/-476,622
Euro	8,473	9,129,573	+/-5	+/-456,902
Hong Kong dollar*	8,173,289	6,104,811	+/-0	–
New Zealand dollar	–	8,986,577	+/-5	+/-449,329
Pound sterling	–	8,836,855	+/-5	+/-441,843
Renminbi	–	5,742,266	+/-5	+/-287,113
Singapore dollar	–	9,752,122	+/-5	+/-487,606
	<u>8,181,762</u>	<u>101,718,536</u>		

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

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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			
	Non- monetary net assets <i>US\$ equivalent</i>	Monetary net assets <i>US\$ equivalent</i>	Percentage change %	Estimated impact on net assets <i>US\$</i>
<b>As at 31 December 2021</b>				
Australian dollar	–	181,215,969	+/-5	+/-9,060,798
Canadian dollar	–	18,656,323	+/-5	+/-932,816
Euro	10,096	33,565,057	+/-5	+/-1,678,758
Hong Kong dollar*	13,852,845	12,490,971	+/-0	–
Indonesian rupiah	13,792,250	342,896	+/-5	+/-706,757
New Zealand dollar	–	20,351,121	+/-5	+/-1,017,556
Pound sterling	–	21,712,897	+/-5	+/-1,085,645
Renminbi	–	87,261,153	+/-5	+/-4,363,058
Singapore dollar	1,483	29,065,745	+/-5	+/-1,453,361
Taiwan dollar	6,669,800	89,960	+/-5	+/-337,988
	<u>34,326,474</u>	<u>404,752,092</u>		

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

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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 a single security greater than 10% of net asset.

The country analysis below is based on the country where the issuer is domiciled or operate:

	% of net assets	
	2022	2021
<b>Financial assets at fair value through profit or loss</b>		
<b>Listed equity securities</b>		
Hong Kong		
– H Shares	0.41	0.26
– Others	0.60	0.41
– Red Chips	0.39	0.28
Indonesia	–	0.94
Singapore	0.00	0.00
Taiwan	–	0.45
The United States of America	–	0.96
	<hr/>	<hr/>
	1.40	3.30
	-----	-----
<b>Unlisted equity securities</b>		
The United States of America	0.74	2.06
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# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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)

	% of net assets	
	2022	2021
<b>Financial assets at fair value through profit or loss</b>		
<b>(Continued)</b>		
<b>Quoted debt securities</b>		
Australia	-	0.54
British Virgin Islands	-	0.08
Canada	0.40	0.31
China	50.35	53.21
Colombia	-	0.11
Great Britain	-	0.21
Hong Kong	9.78	4.13
India	6.08	1.79
Indonesia	9.07	9.06
Japan	0.52	0.21
Macau	9.87	-
Malaysia	-	0.13
Mongolia	2.99	2.56
Portugal	-	0.14
Russia	-	0.20
Singapore	0.49	0.25
South Korea	0.05	0.43
The United States of America	0.53	0.24
Vietnam	-	0.21
	<hr/>	<hr/>
	90.13	73.81
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# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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)

	% of net assets	
	2022	2021
<b>Financial assets at fair value through profit or loss</b>		
<b>(Continued)</b>		
<b>Quoted investment funds</b>		
Cayman Islands	4.43	9.84
Ireland	0.00	0.00
	<u>4.43</u>	<u>9.84</u>
<b>Unquoted debt securities</b>		
Australia	-	4.30
Cayman Islands	-	0.13
China	-	-
Hong Kong	-	0.67
Malaysia	0.01	0.00
The United States of America	1.21	0.46
	<u>1.22</u>	<u>5.56</u>
<b>Forward exchange contracts</b>		
	<u>0.20</u>	<u>0.10</u>
	<u>98.12</u>	<u>94.67</u>

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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)

	% of net assets	
	2022	2021
Financial liabilities at fair value through profit or loss		
Forward exchange contracts	<u>(0.02)</u>	<u>(0.06)</u>
	<u>(0.02)</u>	<u>(0.06)</u>

As at 31 December 2022 and 2021, the Fund had no notional exposure to a single individual derivative security greater than 10% of the total notional exposure of the Fund's investments.

As the Fund predominantly invests in debt securities and related financial instruments, the market risk sensitivity analysis on these investments is covered under interest rate risk in note 4(a)(iii). As at 31 December 2022 and 2021, the Fund also held investments other than debt securities and was susceptible to market price risk arising from uncertainties about future value of these investments. These investments, including listed equity securities, unlisted equity securities, quoted/unlisted investment funds are available for purchase and sales. If the prices of listed equity securities and investment funds had increased/decreased by 10%, the Fund's profits for the year would have resulted in an increase/decrease of US\$3,843,142 (2021: US\$22,294,303). Details about the derivatives held by the Fund are shown in note 4(e).

The table below shows the analysis of quoted and unquoted debt securities by industry.

	2022	2021
	%	%
Real estate	32.20	35.80
Customer services	12.80	-
Diversified financials	8.80	16.80
Energy	6.20	7.50
Materials	10.40	7.30
Transportation	8.00	6.80
Others	<u>21.60</u>	<u>25.80</u>
	<u>100.00</u>	<u>100.00</u>

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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 arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Fund holds fixed interest securities that expose it to fair value interest rate risk. The deposits with brokers, overdrafts with bank and cash and cash equivalents expose the Fund to cash flow interest rate risk.

The table below summarises the Fund's exposure to interest rate risk, categorised by the earlier of contractual repricing and maturity dates.

	Interest bearing			Non-interest bearing	Total
	Less than 1 year US\$	1 to 5 years US\$	Over 5 years US\$		
As at 31 December 2022					
Assets					
Financial assets at fair value through profit or loss	69,075,848	391,745,591	73,871,232	39,574,239	574,266,910
Margin deposits	609,624	-	-	-	609,624
Bank balances	12,039,151	-	-	-	12,039,151
	81,724,623	391,745,591	73,871,232	39,574,239	586,915,685
Liabilities					
Financial liabilities at fair value through profit or loss	-	-	-	(98,644)	(98,644)
Interest sensitivity gap	81,724,623	391,745,591	73,871,232		

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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 (Continued)

	Interest bearing			Non-interest bearing US\$	Total US\$
	Less than 1 year US\$	1 to 5 years US\$	Over 5 years US\$		
<b>As at 31 December 2021</b>					
<b>Assets</b>					
Financial assets at fair value through profit or loss	347,598,767	677,503,324	139,702,572	224,452,495	1,389,257,158
Margin deposits	196,825	-	-	-	196,825
Bank balances	82,078,841	-	-	-	82,078,841
	<u>429,874,433</u>	<u>677,503,324</u>	<u>139,702,572</u>	<u>224,452,495</u>	<u>1,471,532,824</u>
<b>Liabilities</b>					
Financial liabilities at fair value through profit or loss	-	-	-	(908,071)	(908,071)
Interest sensitivity gap	<u>429,874,433</u>	<u>677,503,324</u>	<u>139,702,572</u>		

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **4 FINANCIAL RISK MANAGEMENT (Continued)**

#### **(a) Market risk (Continued)**

##### **(iii) Interest rate risk (Continued)**

##### *Fair value interest rate risk*

The table below summarises the sensitivity of the Fund's net assets to interest rate movements.

The analysis is based on the assumptions that the interest rate increased/decreased by the stated percentage with all other variables held constant.

	Percentage change		Estimated impact on net assets	
	2022 %	2021 %	2022 US\$	2021 US\$
Interest rate	+/-0.5	+/-0.5	-6,576,008/ +6,707,520	-16,048,596/ +17,459,904

##### *Cash flow interest rate risk*

As at 31 December 2022, if the interest rates on interest bearing bank balances and margin deposits had been 50 (2021: 50) basis points higher/lower with all other variables held constant, the net assets would have been approximately US\$63,244 lower/higher (2021: US\$411,378 lower/higher).

#### **(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 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.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Credit and counterparty risk (Continued)

The table below summarises the credit quality of the Fund's portfolio of debt securities held in long position as at the reporting date. The credit ratings are referenced to the ratings issued by Moody's, S&P and Fitch.

	2022 US\$	2021 US\$
<b>Credit rating (Moody's/S&amp;P/Fitch)</b>		
Aa2/AA	300,539	-
A1/A+	20,357,869	-
A2/A	495,350	-
A3/A-	3,100,080	-
Baa2/BBB	31,599,054	9,710,278
Baa3/BBB-	16,231,382	2,983,050
Ba1/BB+	298,911	14,913,165
Ba2/BB	24,880,504	15,787,820
Ba3/BB-	108,254,013	131,813,641
B1/B+	46,063,620	207,146,215
B2/B	4,072,549	103,843,401
B3/B-	49,930,031	138,327,101
Caa1/CCC+/CCC	21,926,180	47,068,437
Caa2/CCC	-	4,017,133
Caa3/CCC-/CCC	4,422,820	4,924,708
C	1,439,030	2,162,400
Unrated*	201,320,739	482,107,314
	<u>534,692,671</u>	<u>1,164,804,663</u>

\* In order to monitor the credit quality of the "Unrated" debt securities, the Manager, on the basis of internal research, prepares its own assessment. The Manager reviews the key financial metrics of the issue and structural features of the instruments and concludes these "Unrated" debt securities in general have a relatively low risk of default. The Manager considers there is no significant risk on the unrated debt securities at the reporting date as there was limited history of default on the unrated debt securities in the past. As at 31 December 2022, except for 18 debt securities (2021: 11) of US\$6,396,291 (2021: US\$37,718,897) which were in default. Refer to note 4(d) for further details on those defaulted debt securities.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Credit and counterparty risk (Continued)

The table below summarises the unrated debt securities as stated in the table above by their issuers' credit rating as at the reporting date.

	2022 US\$	2021 US\$
<b>Credit rating (Moody's/S&amp;P/Fitch)</b>		
A1/A+	-	42,610,671
Baa1/BBB+	-	6,244,562
Ba1/BB+	6,343,814	-
Ba3/BB-	-	5,948,858
B1/B+	-	2,198,902
B2/B	-	5,077,300
Unrated	194,976,925	420,027,021
	<u>201,320,739</u>	<u>482,107,314</u>

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## 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 as at the reporting date. The credit ratings are referenced to the ratings issued by Moody's.

Counterparty	2022 US\$	2021 US\$
Bank balances		
Aa3	11,878,718	81,918,641
A1	160,433	160,200
Margin deposits		
Aa3	609,624	196,825
Financial assets at fair value through profit or loss		
Aa3	574,266,910	1,389,257,158
Amounts receivable on sales of investments		
Aa3	–	6,284,798
Amounts receivable on issue of shares		
Unrated	1,103,968	2,950,732

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. As at 31 December 2022 and 2021, all amounts receivable on sales of investments, amounts receivable on issue of shares, dividend, interest receivable and other receivables, margin deposits and bank balances held with counterparties with a credit rating of A1 (2021: A1) 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 GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Liquidity risk

The Fund issues Class P Shares, Class z Shares, Class A Shares and Class I Shares. All shares are exposed to daily redemptions. The Manager may limit the total redemption on any dealing day to 10% of the Fund's net assets.

The table below analyses the Fund's 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
	US\$	US\$
Financial liabilities at fair value through profit or loss		
– Derivatives	98,644	908,071
Amounts payable on purchases of investments	–	10,912,547
Amounts payable on redemption of shares	449,313	1,970,588
Management fees payable	711,201	1,835,420
Distributions payable to redeemable participating shareholders	4,123,402	10,366,278
Accruals and other payables	504,543	237,031
Net assets attributable to redeemable participating shareholders	<u>585,262,992</u>	<u>1,467,475,819</u>
	<u>591,150,095</u>	<u>1,493,705,754</u>

As at 31 December 2022, the Fund was subject to one (2021: one) passive hedging arrangements. The arrangement gives the Fund and the counterparts the legally enforceable right to set-off certain financial assets and liabilities.

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.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Liquidity risk (Continued)

The following table presents the Fund's financial assets and liabilities eligible to offsetting had the Fund elected to enforce the master netting agreement and similar agreements at the reporting date. The amount to be offset is limited to the absolute value of financial assets or financial liabilities within the same counterparty.

	2022 US\$	2021 US\$
<b>Financial assets</b>		
Forward exchange contracts	1,142,824	1,509,463
Margin deposits	609,624	196,825
<b>Financial liabilities</b>		
Forward exchange contracts	(98,644)	(908,071)
Net amount	<u>1,653,804</u>	<u>798,217</u>

As at 31 December 2022, margin deposits aggregated to US\$500,015 (2021: US\$88,707) was pledged as collateral for purchase of investments.

#### Capital management

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

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

- Monitor subscriptions and redemptions activities relative to liquid assets;
- Protect the interest of redeemable participating shareholders and in exceptional circumstances, the Manager may limit the total number of units redeemed on any redemption day to 10% in aggregate of the total number of units 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 redeemable participating 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.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Liquidity risk (Continued)

##### *Capital management (Continued)*

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

Investor	% of net assets
<b>As at 31 December 2022</b>	
Investor 1	10.63

As at 31 December 2021, no investor held more than 10% of the net assets of the Fund.

#### (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 at the reporting date.

	Level 1 US\$	Level 2 US\$	Level 3** US\$	Total US\$
<b>As at 31 December 2022</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equity securities	8,173,289	–	0*	8,173,289
Unlisted equity securities	–	–	4,327,903	4,327,903
Quoted debt securities	–	526,906,627	585,278	527,491,905
Quoted/ Unlisted investment funds	–	8,473	25,921,750	25,930,223
Unquoted debt securities	–	–	7,200,766	7,200,766
Forward exchange contracts	–	1,142,824	–	1,142,824
	<u>8,173,289</u>	<u>528,057,924</u>	<u>38,035,697</u>	<u>574,266,910</u>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward exchange contracts	–	(98,644)	–	(98,644)

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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)

	Level 1 US\$	Level 2 US\$	Level 3** US\$	Total US\$
<b>As at 31 December 2021</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equity securities	48,429,487	–	1,483*	48,430,970
Unlisted equity securities	–	–	30,154,331	30,154,331
Quoted debt securities	–	1,051,883,907	31,322,629	1,083,206,536
Quoted/ Unlisted investment funds	–	107,782,331	36,575,400	144,357,731
Unquoted debt securities	–	–	81,598,127	81,598,127
Forward exchange contracts	–	1,509,463	–	1,509,463
	<u>48,429,487</u>	<u>1,161,175,701</u>	<u>179,651,970</u>	<u>1,389,257,158</u>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward exchange contracts	–	(908,071)	–	(908,071)

\* As at 31 December 2022 and 2021, listed equity securities include zero investment whose trading was suspended.

\*\* As at 31 December 2022 and 2021, the quoted debt securities valued based on broker quotes with discounts applied or they were in default stage. For the quoted investment funds, the investee fund was holding private investments and please refer to note 5 for details. For the unquoted debt securities, they were either private debt securities without broker quote or they were in default stage.

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

Financial instruments that trade in markets that are not considered to be active and are valued based on quoted market prices or broker quotes, or financial instruments for which there is no 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, which are valued using last transacted prices with discounts applied when there is no quotes or based on quotes where no trade has been observed. Such investments are usually valued based on quotation provided by relevant market maker but no transaction has been observed. Level 3 investments included unlisted equity securities totaling US\$4,327,903 (2021: US\$30,154,331), quoted debt securities totaling US\$585,278 and unquoted debt securities totaling US\$7,200,766 (2021: US\$31,322,629 for quoted debt securities and US\$81,598,127 for unquoted debt securities) and unlisted investment funds totaling US\$25,921,750 (2021: US\$36,575,400). The debt securities also included certain defaulted debt securities aggregating US\$Nil (2021: US\$29,965,416) and single quoted debt securities aggregating US\$585,278 (2021: US\$1,357,213).

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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)

Investments classified within Level 3 have significant unobservable inputs as there are no readily available quoted market prices. During the year ended 31 December 2022 and 2021, the Fund invests in the quoted debt security of Bank Otkritie Financial Corp OJSC Via OFCB Capital PLC 10% 4/26/2019 which has been suspended for trading due to the economic sanctions in relation to Russia and has assessed the fair value of such quoted debt security at zero value as at 31 December 2022 (2021: US\$2,966,033).

The table below summarises the key unobservable inputs adopted by the Manager in determining the fair value.

	Fair value US\$	Valuation technique	Unobservable inputs	Range of inputs
<b>As at 31 December 2022</b>				
Unlisted equity securities	4,327,903	Market approach	Risk adjusted discount rate	53% - 88%
Single quoted debt securities	585,278	Single Quoted price	Quoted price	N/A
Unlisted investment funds	25,921,750	Net asset value per unit	Underlying private investments	N/A
Unquoted debt securities	7,200,766	Use of quoted market prices for similar Instruments	Risk adjusted discount rate	5%
		Discounted cash flow	IRR	158%
<b>As at 31 December 2021</b>				
Listed equity securities	1,483	Last transacted price	Risk adjusted discount rate	100%
Unlisted equity securities	30,154,331	Market approach	Risk adjusted discount rate	0%-25%
Defaulted debt securities	29,965,416	Quoted price	Quoted price	100%
Single quoted debt securities	1,357,213	Quoted price	Quoted price	N/A
Unlisted investment funds	36,575,400	Net asset value per unit	Underlying private investments	N/A
Unquoted debt securities	81,598,127	Use of quoted market prices for similar instruments	Risk adjusted discount rate	2%-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 GREATER CHINA HIGH YIELD INCOME FUND

(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.

The following table presents the transfers between levels for the years ended 31 December 2022 and 2021.

	<b>Level 1</b> <i>US\$</i>	<b>Level 2</b> <i>US\$</i>	<b>Level 3</b> <i>US\$</i>
<b>2022</b>			
Transfer from level 2 to 3	–	(12,199,339)	12,199,339
Transfer from level 3 to 2	–	1,620,716	(1,620,716)
	<b>Level 1</b> <i>US\$</i>	<b>Level 2</b> <i>US\$</i>	<b>Level 3</b> <i>US\$</i>
<b>2021</b>			
Transfer from level 2 to 3	–	(16,375,114)	16,375,114
Transfer from level 3 to 2	–	36,469,559	(36,469,559)

The investments were transferred from level 2 and 3 as they became default stage during the years ended 31 December 2022 and 2021. The investments were transferred from level 3 to 2 as there were transaction volume and broker quotes for the investments during the years ended 31 December 2022 and 2021.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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 following tables present the movement in level 3 investments for the year. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

	2022 US\$	2021 US\$
<b>Opening balance</b>	179,651,970	432,098,727
Purchase	93,612,453	396,078,861
Sales	(184,860,578)	(485,020,393)
Transfer from level 2 to 3	12,199,339	16,375,114
Transfer from level 3 to 2	(1,620,716)	(36,469,559)
Losses recognised in profit and loss	<u>(60,946,771)</u>	<u>(143,410,780)</u>
<b>Closing balance</b>	<u><u>38,035,697</u></u>	<u><u>179,651,970</u></u>
Changes in unrealised gains/losses for the year included in the statement of comprehensive income for investments held at the end of the year	<u><u>21,966,045</u></u>	<u><u>(149,128,467)</u></u>

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

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (e) Financial derivative instruments

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

	Notional amount long/(short)	Fair value Assets US\$	Liabilities US\$
<b>As at 31 December 2022</b>			
<b>Counterparty A:</b>			
Forward exchange contracts	AUD64,628,309	900,140	-
Forward exchange contracts	CAD13,020,537	94,545	-
Forward exchange contracts	CNH39,620,639	9,173	-
Forward exchange contracts	EUR8,580,809	36,901	-
Forward exchange contracts	NZD14,282,582	16,344	-
Forward exchange contracts	SGD12,704,735	85,721	-
Forward exchange contracts	(AUD11,795)	-	(81)
Forward exchange contracts	(CAD18,032)	-	(94)
Forward exchange contracts	(CNH40,000,000)	-	(22,799)
Forward exchange contracts	GBP7,378,661	-	(75,670)
		<u>1,142,824</u>	<u>(98,644)</u>

	Notional amount long/(short)	Fair value Assets US\$	Liabilities US\$
<b>As at 31 December 2021</b>			
<b>Counterparty A:</b>			
Forward exchange contracts	AUD141,483,296	588,597	-
Forward exchange contracts	CAD23,938,602	139,194	-
Forward exchange contracts	CNH716,964,478	307,252	-
Forward exchange contracts	(EUR42,623)	12	-
Forward exchange contracts	GBP16,149,819	234,877	-
Forward exchange contracts	NZD30,060,651	32,299	-
Forward exchange contracts	SGD34,660,643	207,232	-
Forward exchange contracts	(AUD498,995)	-	(1,693)
Forward exchange contracts	(CNH646,536,293)	-	(877,794)
Forward exchange contracts	EUR22,290,961	-	(28,231)
Forward exchange contracts	(NZD38,087)	-	(32)
Forward exchange contracts	(SGD120,934)	-	(321)
		<u>1,509,463</u>	<u>(908,071)</u>

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 INVESTMENTS IN UNCONSOLIDATED STRUCTURED ENTITIES

Unconsolidated structured entities consist of investments in investee funds which are subject to the terms and conditions of the respective investee funds' offering documents and are susceptible to market price risk arising from uncertainties about future values of those structured entities. The Manager makes investment decisions after extensive due diligence of the underlying fund, its strategy and the overall quality of the underlying fund's manager.

The Fund's holding in investee funds, as a percentage of the respective structured entity's total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at structured entities level. It is possible that the Fund may, at any point in time, hold a majority of a structured entity's total shares in issue.

The table below summaries the Fund's holdings in investee funds as at the reporting date:

Investee funds	Fund manager	% of Ownership 2022	2021	Place of incorporation	Dealing frequency
Ping An Global Featured Treasury Fund SPC - Ocean Fund SP**	Ping An Overseas Investment Management Company Limited	-	-	Cayman Islands	Monthly
Value Partners Fixed Income SPC - Value Partners Credit Opportunities Fund SP**	Value Partners Hong Kong Limited****	-*****	100.00%	Cayman Islands	Quarterly
Value Partners Asia Principal Credit Fund Limited Partnership**	Value Partners Private Equity Fund****	58.82%	58.82%	Cayman Islands	N/A***
Value Partners Ireland Fund ICAV - Value Partners Greater China High Yield Bond Fund**	Value Partners Hong Kong Limited****	0.02%	0.02%	Hong Kong	Daily*

\* The manager of the investee funds also has the ability to limit daily redemptions and withhold the requested amount. Under extraordinary circumstances, the Manager of the investee funds also has the ability to suspend redemptions.

\*\* The investment funds are not authorised in Hong Kong and not available to the public in Hong Kong.

\*\*\* The Fund does not have right to withdraw its interest in the investee fund. Under the Limited Partnership Agreement, the Fund can transfer its interest with the consent of the General Partner and Fund Manager of the investee fund.

\*\*\*\* The investee funds are also managed by the Manager or its related party.

\*\*\*\*\* The investee fund was fully redeemed on 31 October 2022.

Movements in the fair value of the investee funds' portfolio and corresponding movements in the fair value of the investee funds may expose the Fund to a loss. The Fund's maximum exposure to loss from its interests in structured entities is equal to the total fair value of its investments in structured entities. Once the Fund has disposed of its shares/units in a structured entity, the Fund ceases to be exposed to any risk from that structured entity.

The exposure to investments in investee funds at fair value is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 INVESTMENTS IN UNCONSOLIDATED STRUCTURED ENTITIES (Continued)

	Fair value US\$	% of net assets
<b>As at 31 December 2022</b>		
Value Partners Asia Principal Credit Fund Limited Partnership	25,921,750	4.43
Value Partners Ireland Fund ICAV - Value Partners Greater China High Yield Bond Fund Class Z EUR Hedged Acc	8,473	0.00
	<u>25,930,223</u>	<u>4.43</u>
<b>As at 31 December 2021</b>		
Value Partners Asia Principal Credit Fund Limited Partnership	36,575,400	2.49
Value Partners Ireland Fund ICAV - Value Partners Greater China High Yield Bond Fund Class Z EUR Hedged Acc	10,097	0.00
Value Partners Fixed Income SPC – Value Partners Credit Opportunities Fund SP Class X USD Acc	95,888,869	6.54
Value Partners Fixed Income SPC – Value Partners Credit Opportunities Fund SP Class Z USD Acc	11,883,365	0.81
	<u>144,357,731</u>	<u>9.84</u>

Total purchases and total sales in structured entities during the year ended 31 December 2022 were US\$Nil (2021: US\$22,012,174) and US\$88,290,302 (2021: US\$154,907,993) respectively. As at 31 December 2022 there were no capital commitment obligations and no amounts due to structured entities for unsettled purchases.

During the year ended 31 December 2022, total net loss of US\$30,173,205 (2021: net gain of US\$31,720,281) was incurred on investments in investee funds.

During the year ended 31 December 2022, the Fund had received total distribution from Value Partners Asia Principal Credit Fund Limited Partnership for US\$8,235,294 (2021: US\$12,176,471) where US\$8,235,294 (2021: US\$11,176,471) is classified as return of capital and US\$Nil (2021: US\$1,000,000) is classified as distribution income included in other income in the statement of comprehensive income. Also, the Fund had received distribution from Value Partners Ireland Fund ICAV – Value Partners Greater China High Yield Bond Fund and Value Partners Ireland Fund ICAV – Value Partners Global Emerging Market Bond Fund for US\$Nil (2021: US\$604,162) and US\$34,583 (2021: US\$Nil) respectively. There was no other distribution received for other investee funds.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6 SHARE CAPITAL

The authorised share capital of the Fund is US\$5,000,000 divided into 100 administrative shares of a nominal or par value of US\$1.00 each and 4,999,900,000 redeemable participating shares of a nominal or par value of US\$0.001.

#### Administrative shares

	Number of shares	Share capital US\$	Total US\$
As at 1 January 2021, 31 December 2021 and 31 December 2022	<u>100</u>	<u>100</u>	<u>100</u>

Each administrative share carries one vote. Except when there are no redeemable participating shares in issue and outstanding, the administrative shares do not carry any right to vote. Administrative shares are not entitled to dividends. In the case of winding up of the Fund, administrative shares carry the right to receive the nominal amount paid up thereon after repayment of the nominal amount of the redeemable participating shares. The administrative shares are held by the Manager.

#### Redeemable participating shares

The redeemable participating shares are issued in different classes. Class z Shares are offered primarily for investment by institutional and/or professional investors. Class X Shares are only available for subscription by funds and managed accounts managed by the Manager or Connected Persons of the Manager who are professional investors. Class I Shares are only available for subscription by institutional investors who will set up a direct investment account with the Manager and subscribe to the Fund directly. The management fees charged to Class P Shares, Class z Shares, Class A Shares and Class I Shares are different as disclosed in note 7(a). Class P Shares, Class z Shares, Class A Shares and Class I Shares are subject to daily redemptions.

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.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6 SHARE CAPITAL (Continued)

#### Redeemable participating shares (Continued)

All issued redeemable participating shares are fully paid. The Fund's redeemable participating shares are subject to a minimum holding and minimum subscription amount. The Manager has the discretion to waive the requirement for a minimum holding and/or minimum redemption amount of redeemable participating shares (in whole or in part), whether generally or in a particular case.

The Fund offers classes of redeemable participating share that accumulate income (Class P Acc Shares, Class z Acc Shares, Class A Acc Shares, Class X Acc Shares and Class I Acc Shares, collectively referred to as "Accumulation Classes") or pay regular dividends out of net income or on occasion make payments out of capital (Class P MDis Shares, Class z MDis Shares, Class A MDis Shares and Class I MDis Shares collectively referred to as the "Distribution Classes"). The Manager currently does not aim to pay dividends with respect to Accumulation Classes. Therefore, any net income and net realised profits attributable to the participating shares of the Accumulation Classes will be reflected in their respective Net Asset Values.

For Distribution Classes, the Manager aims to declare and pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes.

There is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. Dividends will be declared on the last business day of each calendar month or on such date as may be determined by the Manager, or such other time or frequency as the Manager considers appropriate. The Manager will also have the discretion to determine if and to what extent dividends paid include realised capital gains and/or are paid out of capital attributable to the relevant Distribution Class.

The dividends paid during the year amounted to US\$75,128,384 (2021: US\$201,194,906) and are presented as finance cost, the dividend payable as at the reporting date was US\$4,123,402 (2021: US\$10,366,278).

In the case of winding up of the Fund, redeemable participating shares carry the right to receive the nominal amount paid up thereon and, after repayment of the nominal amount of the administrative shares, any balance then remaining.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6 SHARE CAPITAL (Continued)

#### Redeemable participating shares (Continued)

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

	2022	2021
<b>Number of shares</b>		
Class P USD Acc Shares	3,077,154	4,614,315
Class P USD MDis Shares	54,334,193	88,638,269
Class P HKD Acc Shares	4,212,986	6,296,980
Class P HKD MDis Shares	509,661,786	774,512,813
Class P SGD Hedged MDis Shares	3,612,857	6,047,746
Class A AUD Hedged MDis Shares	20,806,602	27,705,953
Class A CAD Hedged MDis Shares	4,040,142	4,595,050
Class A EUR Hedged Acc Shares	122,295	204,079
Class A EUR Hedged MDis Shares	2,304,549	3,678,648
Class A GBP Hedged MDis Shares	2,258,722	3,020,746
Class A NZD Hedged MDis Shares	4,366,358	5,638,063
Class A MDis RMB Hedged Shares	9,776,644	11,183,775
Class A MDis RMB Unhedged Shares	1,730,940	1,791,315
Class A Acc RMB Hedged Shares	390,929	555,086
Class z USD MDis Shares	6,029,177	21,222,354
Class z USD Acc Shares	6,001,114	7,092,000
Class X USD Acc Shares	19,739	43,637

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6 SHARE CAPITAL (Continued)

#### Redeemable participating shares (Continued)

	2022	2021
<b>Net asset value per share</b>		
Class P USD Acc Shares	USD8.78	USD12.58
Class P USD MDis Shares	USD3.25	USD5.19
Class P HKD Acc Shares	HKD8.75	HKD12.54
Class P HKD MDis Shares	HKD3.25	HKD5.18
Class P SGD Hedged MDis Shares	SGD3.50	SGD5.60
Class A AUD Hedged MDis Shares	AUD3.09	AUD4.99
Class A CAD Hedged MDis Shares	CAD3.20	CAD5.11
Class A EUR Hedged Acc Shares	EUR5.31	EUR7.80
Class A EUR Hedged MDis Shares	EUR3.43	EUR5.51
Class A GBP Hedged MDis Shares	GBP3.25	GBP5.24
Class A NZD Hedged MDis Shares	NZD3.25	NZD5.22
Class A MDis RMB Hedged Shares	RMB3.70	RMB5.93
Class A MDis RMB Unhedged Shares	RMB3.63	RMB5.36
Class A Acc RMB Hedged Shares	RMB8.34	RMB11.92
Class z USD MDis Shares	USD3.69	USD5.85
Class z USD Acc Shares	USD7.62	USD10.86
Class X USD Acc Shares	USD6.53	USD9.22

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **7 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE MANAGER, THE CUSTODIAN AND THEIR CONNECTED PERSONS**

The following is a summary of significant related party transactions and transactions with the Manager, the Custodian and their connected persons. 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 0.7% per annum of the net assets value of the fund attributable to Class I Shares, 1.0% per annum of the net asset value of the Fund attributable to Class z Shares and 1.5% per annum of the net asset value of the Fund attributable to Class P Shares and Class A Shares. No management fee will be charged on Class X Shares. The management fees is calculated and accrued daily and payable monthly in arrears.

#### **(b) Administration and custodian fees**

Prior to 30 April 2021, the administrator and custodian are entitled to receive administration and custodian fees which represent 0.17% per annum on the first US\$400 million of the net asset value of the Fund, 0.15% per annum on the next US\$400 million of the net asset value of the Fund and 0.13% per annum thereafter, subject to a monthly minimum fee of US\$5,000 per month. The administration and custodian fees are calculated daily and accrued monthly and payable monthly in arrears.

Effective from 30 April 2021, the administrator and custodian are entitled to receive administration and custodian fees which represent 0.135% per annum on the first US\$150 million of the net asset value of the Fund, 0.13% per annum on the next US\$650 million of the net asset value of the Fund and 0.125% per annum thereafter, subject to a monthly minimum fee of US\$4,500 per month. The administration and custodian fees are calculated daily and accrued monthly and payable monthly in arrears.

#### **(c) Directors' fees**

There was directors' fees of US\$459 for the year ended 31 December 2022 (2021: US\$141).

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

#### (d) The Manager and its related parties' holdings in the Fund and entitled to profit/(loss) from transactions in units

The Manager held 100 administrative shares of the Fund as at 31 December 2022 and 2021.

The Manager and its related parties held shares of Fund and entitled to profit/(loss) from transactions in units as follows:

	As at 1 January	Issue of shares	Redemption of shares	As at 31 December
<b>Year 2022</b>				
<b>Class P USD Acc Shares</b>				
Director of the Manager	462,279	–	–	462,279
<b>Class X USD Acc Shares</b>				
Value Partners Limited**	43,637	–	(23,898)	19,739
<b>Year 2021</b>				
<b>Class P USD Acc Shares</b>				
Director of the Manager	462,279	–	–	462,279
<b>Class P USD MDis Shares</b>				
Bright Starlight Limited*	216,138	–	(216,138)	–
<b>Class X USD Acc Shares</b>				
Value Partners Limited**	51,912	36,575	(44,850)	43,637

\* Bright Starlight Limited is indirectly but wholly-owned by a company incorporated in the British Virgin Islands, as the 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.

\*\* Value Partners Limited is the wholly owned subsidiary of the Manager.

Note During the year 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.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

#### (e) Investment in fund managed by the Manager

During the years and as of 31 December 2022 and 2021, the Fund invested in other funds, which are also managed by the Manager and its related party. Refer to note 5 for further details.

In accordance with the investee fund's Private Placing Memorandum, no management fees is charged to the share class that the Fund has invested in.

#### (f) Cross trades with funds managed by the Manager and/or its associates

During the year ended 31 December 2022, the Fund has purchased and sold its holding of investments in total of US\$5,460,882 and US\$1,809,025 comprise of US\$6,732,627 and US\$537,280 of quoted debt securities and unquoted debt securities, respectively, to its investee fund and other funds which are managed by the same Manager of the Fund. During the year ended 31 December 2021, the Fund had purchased and sold its investments in total of US\$12,406,634 and US\$14,029,509 of quoted debt securities to its investee fund and other funds which are also managed by the Manager and/or its associates.

#### (g) Other transactions and balances with the Custodian and its related parties

In addition to the administration and custodian fees and safe custody fees of US\$1,236,949 (2021: US\$3,644,245), as disclosed in note 7(b), 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 US\$	2021 US\$
Interest on deposits	247,969	38,055
Transaction costs*	(29,973)	(74,496)
Safe custody and bank charges	(145,963)	(337,046)
Company secretary and registered office fees	(18,684)	(8,243)
Annual service fees	(23,269)	(27,647)
Interest expenses	(15,175)	(1,215,600)

\* The Fund paid commission to the related parties of the Trustee for the purchases and sales of investments during the years ended 31 December 2022 and 2021 were as follows:

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

	2022 US\$	2021 US\$
<b>The Hongkong and Shanghai Banking Corporation Limited</b>		
Total commission paid	19,488	54,939
The total aggregate value of the purchases and sales	465,128,402	674,041,754
Average rate of commission	0.00%	0.01%
% of transactions to the total purchases and sales of the Fund	4.84%	7.01%

In addition to the administration and custodian fees payable of US\$62,637 (2021: US\$164,320), as disclosed in note 7(b), the Fund had the following additional balances with the Custodian and its related parties.

	2022 US\$	2021 US\$
Financial assets at fair value through profit or loss	574,266,910	1,389,257,158
Bank balances	11,878,718	81,918,641
Margin deposits	499,965	–
Financial liabilities at fair value through profit or loss	(98,644)	(908,071)
Transaction costs payable	–	(6,457)
Company secretary and registered office fees prepaid	–	702
Interest expenses payable	(12,432)	(1,212)

During the year ended 31 December 2022, the Fund entered into currency forward contracts with The Hongkong and Shanghai Banking Corporation Limited, a connected person of the Custodian, with realised loss amounting to US\$11,577,767 (2021: US\$8,782,559). As at 31 December 2022, the Fund held outstanding currency forward contract as financial assets US\$1,142,824 (2021: US\$1,509,463) and financial liabilities US\$98,644 (2021: US\$908,071) respectively with The Hongkong and Shanghai Banking Corporation Limited.

#### (h) Fee rebates

During the years ended 31 December 2022 and 2021, the Fund has invested into investee funds that are managed by the Manager's related company. The Manager has fully rebated the management fee of US\$831,412 (2021: US\$1,521,931) charged to the Fund.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****8 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 or duty on income, capital assets, gains or appreciations will apply to the Fund.

**(b) Hong Kong**

No provision for Hong Kong profits tax has been made as the dividend 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")*****Capital gains on PRC debt securities***

The Fund invests in debt securities in PRC through Bond Connect for the years ended 31 December 2022 and 2021. According to Caishui [2016] No. 70, there is no specific VAT rules on Bond Connect, by making reference to the above circular and other related prevailing tax regulations, it is anticipated that gains derived by foreign investors from the trading of PRC bonds through "Northbound Trading" should also not be subject to PRC VAT.

***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 dividend and investment income received during the years ended 31 December 2022 and 2021.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 9 TRANSACTION COSTS

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

	<b>2022</b> US\$	<b>2021</b> US\$
Brokerage fees	129,051	585,531
Other transaction costs	89,649	456,487
Transaction handling fees	<u>29,973</u>	<u>74,496</u>
	<u><b>248,673</b></u>	<u><b>1,116,514</b></u>

### 10 DISTRIBUTION TO DISTRIBUTION CLASSES

As referred to in note 6, the Manager may determine to make a distribution out of the net income and/or capital attributable to Distribution Classes. 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.

	<b>2022</b> US\$	<b>2021</b> US\$
Total comprehensive loss for the year	<u>(500,989,458)</u>	<u>(726,999,596)</u>
Distributions to Distribution Classes shareholders during the year	<u>(75,128,384)</u>	<u>(201,194,906)</u>

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

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 DISTRIBUTION TO DISTRIBUTION CLASSES (Continued)

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

Classes	2022	2021	Frequency	Ex-dividend dates*
Class P USD MDis Shares	USD0.0408	USD0.0522	Monthly	Last business day of January to February
Class P USD MDis Shares	USD0.0303	USD0.0522	Monthly	Last business day of March to September
Class P USD MDis Shares	USD0.0303	USD0.0408	Monthly	Last business day of October to November
Class P USD MDis Shares	USD0.0265	USD0.0408	Monthly	Last business day of December
Class P HKD MDis Shares	HKD0.0407	HKD0.0518	Monthly	Last business day of January to February
Class P HKD MDis Shares	HKD0.0303	HKD0.0518	Monthly	Last business day of March to September
Class P HKD MDis Shares	HKD0.0303	HKD0.0407	Monthly	Last business day of October to November
Class P HKD MDis Shares	HKD0.0265	HKD0.0407	Monthly	Last business day of December
Class P SGD Hedged MDis Shares	SGD0.0438	SGD0.0560	Monthly	Last business day of January to February
Class P SGD Hedged MDis Shares	SGD0.0325	SGD0.0560	Monthly	Last business day of March to September
Class P SGD Hedged MDis Shares	SGD0.0325	SGD0.0438	Monthly	Last business day of October to November
Class P SGD Hedged MDis Shares	SGD0.0283	SGD0.0438	Monthly	Last business day of December
Class A AUD Hedged MDis Shares	AUD0.0396	AUD0.0506	Monthly	Last business day of January to February
Class A AUD Hedged MDis Shares	AUD0.0295	AUD0.0506	Monthly	Last business day of March to September
Class A AUD Hedged MDis Shares	AUD0.0295	AUD0.0396	Monthly	Last business day of October to November
Class A AUD Hedged MDis Shares	AUD0.0258	AUD0.0396	Monthly	Last business day of December
Class A CAD Hedged MDis Shares	CAD0.0398	CAD0.0510	Monthly	Last business day of January to February
Class A CAD Hedged MDis Shares	CAD0.0295	CAD0.0510	Monthly	Last business day of March to September
Class A CAD Hedged MDis Shares	CAD0.0295	CAD0.0398	Monthly	Last business day of October to November
Class A CAD Hedged MDis Shares	CAD0.0258	CAD0.0398	Monthly	Last business day of December
Class A EUR Hedged MDis Shares	EUR0.0383	EUR0.0498	Monthly	Last business day of January to February
Class A EUR Hedged MDis Shares	EUR0.0273	EUR0.0498	Monthly	Last business day of March to July
Class A EUR Hedged MDis Shares	EUR0.0251	EUR0.0498	Monthly	Last business day of August to September
Class A EUR Hedged MDis Shares	EUR0.0251	EUR0.0383	Monthly	Last business day of October to November
Class A EUR Hedged MDis Shares	EUR0.0211	EUR0.0383	Monthly	Last business day of December
Class A GBP Hedged MDis Shares	GBP0.0406	GBP0.0521	Monthly	Last business day of January to February
Class A GBP Hedged MDis Shares	GBP0.0300	GBP0.0521	Monthly	Last business day of March to September
Class A GBP Hedged MDis Shares	GBP0.0300	GBP0.0406	Monthly	Last business day of October to November
Class A GBP Hedged MDis Shares	GBP0.0262	GBP0.0406	Monthly	Last business day of December
Class A NZD Hedged MDis Shares	NZD0.0423	NZD0.0539	Monthly	Last business day of January to February
Class A NZD Hedged MDis Shares	NZD0.0317	NZD0.0539	Monthly	Last business day of March to September
Class A NZD Hedged MDis Shares	NZD0.0317	NZD0.0423	Monthly	Last business day of October to November
Class A NZD Hedged MDis Shares	NZD0.0280	NZD0.0423	Monthly	Last business day of December
Class A MDis RMB Hedged Shares	RMB0.0515	RMB0.0648	Monthly	Last business day of January to February
Class A MDis RMB Hedged Shares	RMB0.0394	RMB0.0648	Monthly	Last business day of March to July
Class A MDis RMB Hedged Shares	RMB0.0348	RMB0.0648	Monthly	Last business day of August to September
Class A MDis RMB Hedged Shares	RMB0.0348	RMB0.0515	Monthly	Last business day of October to November
Class A MDis RMB Hedged Shares	RMB0.0305	RMB0.0515	Monthly	Last business day of December

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 DISTRIBUTION TO DISTRIBUTION CLASSES (Continued)

The table below summarises the dividend distribution made during the reporting period. (Continued)

Classes	2022	2021	Frequency	Ex-dividend dates*
Class A MDis RMB Unhedged Shares	RMB0.0479	RMB0.0610	Monthly	Last business day of January to February
Class A MDis RMB Unhedged Shares	RMB0.0369	RMB0.0610	Monthly	Last business day of March to September
Class A MDis RMB Unhedged Shares	RMB0.0369	RMB0.0479	Monthly	Last business day of October to November
Class A MDis RMB Unhedged Shares	RMB0.0323	RMB0.0479	Monthly	Last business day of December
Class z USD MDis Shares	USD0.0460	USD0.0584	Monthly	Last business day of January to February
Class z USD MDis Shares	USD0.0342	USD0.0584	Monthly	Last business day of March to September
Class z USD MDis Shares	USD0.0342	USD0.0460	Monthly	Last business day of October to November
Class z USD MDis Shares	USD0.0300	USD0.0460	Monthly	Last business day of December

\* Last business day of each month in 2022 are 31 January 2022, 28 February 2022, 31 March 2022, 29 April 2022, 31 May 2022, 30 June 2022, 29 July 2022, 31 August 2022, 30 September 2022, 31 October 2022, 30 November 2022 and 30 December 2022.

Last business day of each month in 2021 are 29 January 2021, 26 February 2021, 31 March 2021, 30 April 2021, 31 May 2021, 30 June 2021, 30 July 2021, 31 August 2021, 30 September 2021, 29 October 2021, 30 November 2021 and 31 December 2021.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****11 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 judgmental 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 Manager obtained services through soft dollar on transactions amounting to US\$33,954,444 (2021: US\$213,954,463). Commission which amounted to US\$61,211 (2021: US\$331,209) is paid from the Fund on these transactions.

# **VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND**

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

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **12 CONTINGENT LIABILITIES AND COMMITMENTS**

The Fund has no contingent liabilities as at 31 December 2022 and 2021.

### **13 NEGOTIABILITY OF ASSETS**

The Fund does not have any assets restricted by Statutory or contractual requirements as at 31 December 2022 and 2021.

### **14 BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS**

The Fund has uncommitted overdraft facilities with the holding company of the Trustee during the years ended 31 December 2022 and 2021. These facilities are secured by the investment holdings and/or cash held in the respective accounts with the holding company of the Trustee. The Fund had no bank overdrafts as at 31 December 2022 and 2021.

### **15 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the directors on 25 April 2023.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
<b>Listed equity securities</b>			
<b><i>Hong Kong - H Shares</i></b>			
Aluminum Corp of China Ltd H Shares	5,642,000	2,402,129	0.41
<b><i>Hong Kong - Others</i></b>			
Shenzhou International Group Holdings Ltd	308,800	3,476,938	0.60
<b><i>Hong Kong - Red Chips</i></b>			
China Overseas Land & Investment Ltd	445,000	1,175,580	0.20
China Resources Land Ltd	244,000	1,118,642	0.19
		2,294,222	0.39
<b><i>Singapore</i></b>			
Nam Cheong Ltd*	1,000,982	-	-

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Unlisted equity securities</b>			
<i><b>The United States of America</b></i>			
AMTD Digital Inc	1,226,667	686,933	0.12
AMTD International Inc. Class A ordinary	15,170,708	3,640,970	0.62
		4,327,903	0.74
<b>Quoted debt securities</b>			
<i><b>Canada</b></i>			
Tacora Resources Inc 8.25% 5/15/2026	3,250,000	2,322,813	0.40
<i><b>China</b></i>			
Agricultural Bank of China Ltd/Hong Kong 1% 10/22/2023	10,000,000	9,718,089	1.66
Anton Oilfield Services Group/Hong Kong 8.75% 1/26/2025	1,000,000	743,301	0.13
Bank of China Ltd 5% 11/13/2024	3,000,000	3,001,373	0.51
Bank of China Ltd/Frankfurt 3.125% 6/16/2025	4,000,000	3,845,621	0.66
Bilibili Inc 0.5% 12/1/2026	500,000	369,526	0.06
Central China Real Estate Ltd 7.25% 4/24/2023	5,300,000	2,352,864	0.40
China Government International Bond 0.75% 10/26/2024	3,250,000	3,045,683	0.52
China Government International Bond 1.25% 10/26/2026	3,142,000	2,837,296	0.48
China Hongqiao Group Ltd 6.25% 6/8/2024	16,300,000	15,388,821	2.63
China Hongqiao Group Ltd Conv 5.25% 1/25/2026	5,200,000	6,343,814	1.08
China Oil & Gas Group Ltd 4.7% 6/30/2026	9,567,000	7,946,446	1.36
China SCE Group Holdings Ltd 5.95% 9/29/2024	6,800,000	3,078,498	0.53
China SCE Group Holdings Ltd 6% 2/4/2026	2,800,000	1,168,841	0.20
China SCE Group Holdings Ltd 7% 5/2/2025	5,700,000	2,442,209	0.42
China SCE Group Holdings Ltd 7.25% 4/19/2023	7,600,000	5,133,333	0.88
China SCE Group Holdings Ltd 7.375% 4/9/2024	8,600,000	4,418,024	0.75
CIFI Holdings (Group) Co Ltd 4.45% 8/17/2026	1,800,000	469,692	0.08

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Quoted debt securities (Continued)</b>			
<b>China (Continued)</b>			
CIFI Holdings (Group) Co Ltd 5.5% 1/23/2023	800,000	286,325	0.05
CIFI Holdings (Group) Co Ltd 5.85% 8/19/2023	35,500,000	1,444,461	0.25
CIFI Holdings (Group) Co Ltd 5.95% 10/20/2025	2,500,000	651,625	0.11
CIFI Holdings (Group) Co Ltd 6.55% 3/28/2024	2,366,000	678,424	0.12
CIFI Holdings (Group) Co Ltd 6.95% 4/8/2025	14,000,000	470,386	0.08
CIFI Holdings Group Co Ltd 11.581% PERP	4,180,000	710,830	0.12
CIFI Holdings Group Co Ltd 4.375% 4/12/2027	960,000	258,508	0.04
CNAC (HK) Finbridge Co Ltd 3.375% 6/19/2024	2,000,000	1,939,242	0.33
Country Garden Holdings Co Ltd 2.7% 7/12/2026	3,000,000	1,763,940	0.30
Country Garden Holdings Co Ltd 3.125% 10/22/2025	2,700,000	1,677,302	0.29
Country Garden Holdings Co Ltd 3.3% 1/12/2031	3,500,000	1,911,665	0.33
Country Garden Holdings Co Ltd 3.875% 10/22/2030	4,500,000	2,434,317	0.42
Country Garden Holdings Co Ltd 4.8% 8/6/2030	8,900,000	4,925,883	0.84
Country Garden Holdings Co Ltd 5.125% 1/14/2027	1,000,000	612,522	0.10
Country Garden Holdings Co Ltd 6.15% 9/17/2025	2,000,000	1,348,172	0.23
Country Garden Holdings Co Ltd 8% 1/27/2024	17,500,000	14,012,367	2.39
eHi Car Services Ltd 7% 9/21/2026	17,400,000	11,036,820	1.89
eHi Car Services Ltd 7.75% 11/14/2024	27,900,000	17,996,973	3.07
Fortune Star (BVI) Ltd 5.95% 10/19/2025	500,000	401,097	0.07
Fortune Star (BVI) Ltd 6.85% 7/2/2024	200,000	182,036	0.03
GCL New Energy Holdings Ltd 10% 1/30/2024	15,224,819	10,798,808	1.84
GLP China Holdings Ltd 2.95% 3/29/2026	8,542,000	6,198,562	1.06
GLP China Holdings Ltd 4.974% 2/26/2024	5,227,000	4,673,945	0.80
Greentown China Holdings Ltd 4.7% 4/29/2025	2,000,000	1,805,768	0.31
Greentown China Holdings Ltd 5.65% 7/13/2025	3,500,000	3,193,329	0.55
Guiyang Baiyun Industry Development Investment Co Ltd 7.5% 3/6/2026	35,000,000	4,422,213	0.76
Haikou Meilan International Airport Co Ltd 5.25% 9/6/2019	10,270,000	513,500	0.09
Hainan Airlines Term Loan 9.5% 10/24/2021	57,850,000	-	-

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Quoted debt securities (Continued)</b>			
<b>China (Continued)</b>			
Hilong Holding Ltd 9.75% 11/18/2024	14,427,000	5,622,101	0.96
Hopson Development Holdings Ltd 6.8% 12/28/2023	776,000	683,980	0.12
Hopson Development Holdings Ltd 7% 5/18/2024	2,000,000	1,650,853	0.28
Huarong Finance 2019 Co Ltd 2.125% 9/30/2023	1,000,000	971,823	0.17
Huarong Finance 2019 Co Ltd 3.75% 5/29/2024	2,000,000	1,916,438	0.33
Huarong Finance II Co Ltd 5.5% 1/16/2025	4,000,000	3,914,982	0.67
Industrial & Commercial Bank of China Ltd/Singapore 1.2% 9/9/2025	1,000,000	911,180	0.16
iQIYI Inc 2% 4/1/2025	7,800,000	6,231,845	1.06
KWG Group Holdings Ltd 5.875% 11/10/2024	3,000,000	1,324,049	0.23
KWG Group Holdings Ltd 6% 1/14/2024	16,040,000	8,356,466	1.43
KWG Group Holdings Ltd 7.4% 3/5/2024	4,200,000	2,037,709	0.35
KWG Group Holdings Ltd 7.875% 8/30/2024	7,760,000	3,733,549	0.64
Meituan 0% 4/27/2027	5,400,000	4,710,528	0.80
Meituan 3.05% 10/28/2030	1,050,000	826,153	0.14
New Metro Global Ltd 4.5% 5/2/2026	4,000,000	2,764,440	0.47
New Metro Global Ltd 4.8% 12/15/2024	4,500,000	3,521,700	0.60
New Metro Global Ltd 6.8% 8/5/2023	6,235,000	5,883,339	1.00
NIO Inc 0% 2/1/2026	1,750,000	1,533,928	0.26
Powerlong Real Estate Holdings Ltd 4% 7/14/2023	500,000	189,492	0.03
Powerlong Real Estate Holdings Ltd 6.95% 7/23/2023	5,900,000	2,069,956	0.35
Reward International Investment Ltd 7.25% 1/25/2020	1,017,000	9,153	0.00
RKPF Overseas 2019 (A) Ltd 5.9% 3/5/2025	3,000,000	2,516,872	0.43
RKPF Overseas 2019 (A) Ltd 6% 9/4/2025	11,000,000	9,101,767	1.56
RKPF Overseas 2019 (E) Ltd 7.75% PERP	4,100,000	1,944,186	0.33
RKPF Overseas 2019 A Ltd 7.875% 2/1/2023	2,215,000	2,258,223	0.39
RKPF Overseas 2020 (A) Ltd 5.2% 1/12/2026	2,500,000	1,853,467	0.32
Seazen Group Ltd 6% 8/12/2024	2,800,000	2,262,288	0.39
Shui On Development Holding Ltd 5.5% 3/3/2025	3,285,000	2,856,258	0.49
Shui On Development Holding Ltd 5.5% 6/29/2026	700,000	566,596	0.10

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Quoted debt securities (Continued)</b>			
<b>China (Continued)</b>			
Shui On Development Holding Ltd 5.75% 11/12/2023	6,700,000	6,418,511	1.10
Shui On Development Holding Ltd 6.15% 8/24/2024	5,500,000	4,885,347	0.83
Sino-Ocean Land Treasure Finance I Ltd 6% 7/30/2024	500,000	332,500	0.06
Sino-Ocean Land Treasure Finance II Ltd 5.95% 2/4/2027	3,500,000	2,000,812	0.34
Sino-Ocean Land Treasure IV Ltd 2.7% 1/13/2025	8,500,000	4,995,833	0.85
Smart Insight International Ltd 4.5% 12/5/2023	32,000,000	3,154,223	0.54
Sunac China Holdings Ltd 6.5% 7/9/2023	2,000,000	433,920	0.07
Sunac China Holdings Ltd 6.8% 10/20/2024	3,200,000	706,816	0.12
Sunac China Holdings Ltd 7.95% 10/11/2023	3,000,000	653,550	0.11
Sunac China Holdings Ltd 8.35% 4/19/2023	14,850,000	3,245,171	0.55
Tsinghua Unic Ltd 4.75% 1/31/2021	1,600,000	357,259	0.06
Tuspark Forward Ltd 6.95% 5/13/2024	4,437,000	811,555	0.14
Tuspark Forward Ltd 7.95% 5/13/2024	16,600,000	3,445,745	0.59
Wanda Properties Overseas Ltd 6.875% 7/23/2023	9,900,000	9,731,825	1.66
West China Cement Ltd 4.95% 7/8/2026	3,000,000	2,615,130	0.45
		294,663,969	50.35

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Quoted debt securities (Continued)</b>			
<b><i>Hong Kong</i></b>			
AMTD International Inc 7.25% PERP	20,000,000	585,278	0.10
Blue Skyview Co Ltd 15.758% PERP	58,067,000	1,524,259	0.26
Cathay Pacific Finance III Ltd 2.75% 2/5/2026	20,000,000	2,804,123	0.48
Cathay Pacific MTN Financing HK Ltd 4.875% 8/17/2026	2,000,000	1,953,241	0.33
Celestial Miles Ltd 5.75% PERP	11,000,000	10,875,242	1.86
Chiyu Banking Corp Ltd 8% PERP	800,000	750,602	0.13
Concord New Energy Group Ltd 10.75% 9/24/2023	600,000	614,728	0.10
Elect Global Investments Ltd 4.1% PERP	4,650,000	4,153,961	0.71
Elect Global Investments Ltd 4.85% PERP	3,761,000	3,100,080	0.53
Lai Sun MTN Ltd 5% 7/28/2026	700,000	516,811	0.09
LS Finance 2017 Ltd 4.8% 6/18/2026	2,800,000	2,149,980	0.37
LS Finance 2017 Ltd 4.875% 7/15/2024	1,500,000	1,423,701	0.24
Melco Resorts Finance Ltd 4.875% 6/6/2025	6,670,000	6,184,891	1.06
Melco Resorts Finance Ltd 5.25% 4/26/2026	600,000	538,250	0.09
Melco Resorts Finance Ltd 5.375% 12/4/2029	2,147,000	1,735,360	0.30
Melco Resorts Finance Ltd 5.625% 7/17/2027	2,000,000	1,767,237	0.30
Melco Resorts Finance Ltd 5.75% 7/21/2028	4,000,000	3,456,343	0.59
NWD Finance (BVI) Ltd 4.125% PERP	5,000,000	3,628,708	0.62
NWD Finance (BVI) Ltd 6.15% PERP	4,000,000	3,693,967	0.63
NWD (MTN) Ltd 5.875% 6/16/2027	2,000,000	1,876,169	0.32
PCGI Intermediate Holdings (III) Ltd 4.5% 8/23/2026	300,000	276,273	0.05
REXLot Holdings Ltd 4.5% 4/17/2049	130,000,000	–	–
RH International Finance Ltd 6.5% PERP	6,600,000	3,660,246	0.62
		57,269,450	9.78

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Quoted debt securities (Continued)</b>			
<b>India</b>			
Adani Green Energy Ltd 4.375% 9/8/2024	11,305,000	10,457,363	1.79
Adani International Container Terminal Pvt Ltd 3% 2/16/2031	1,800,000	1,347,199	0.23
Azure Power Solar Energy Pvt Ltd 5.65% 12/24/2024	1,000,000	883,712	0.15
Greenko Dutch BV 3.85% 3/29/2026	1,829,000	1,539,383	0.26
Greenko Wind Projects Mauritius Ltd 5.5% 4/6/2025	4,800,000	4,566,688	0.78
JSW Hydro Energy Ltd 4.125% 5/18/2031	400,000	298,911	0.05
ReNew Power Pvt Ltd 5.875% 3/5/2027	3,800,000	3,749,127	0.64
Rolta Americas LLC 8.875% 7/24/2019	46,935,000	448,464	0.07
Rolta LLC 10.75% 5/16/2018	20,800,000	108,799	0.02
Vedanta Resources Finance II PLC 13.875% 1/21/2024	8,295,000	7,769,439	1.33
Vedanta Resources Finance II PLC 8% 4/23/2023	4,600,000	4,429,749	0.76
		<u>35,598,834</u>	<u>6.08</u>
<b>Indonesia</b>			
ABM Investama Tbk PT 9.5% 8/5/2026	10,708,000	9,964,050	1.70
Alam Sutera Realty Tbk PT 11% 11/2/2025	22,347,000	15,030,642	2.57
APL Realty Holdings Pte Ltd 5.95% 6/2/2024	5,000,000	2,465,789	0.42
Bakrie Telecom Pte Ltd 11.5% 5/7/2015	2,000,000	-	-
Gajah Tunggal Tbk PT 8.95% 6/23/2026	7,050,000	5,411,018	0.92
Indika Energy Capital IV Pte Ltd 8.25% 10/22/2025	11,750,000	11,815,839	2.02
Medco Bell Pte Ltd 6.375% 1/30/2027	2,200,000	2,049,833	0.35
Medco Oak Tree Pte Ltd 7.375% 5/14/2026	5,500,000	5,310,820	0.91
Saka Energi Indonesia PT 4.45% 5/5/2024	1,068,000	1,032,338	0.18
		<u>53,080,329</u>	<u>9.07</u>

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Quoted debt securities (Continued)</b>			
<b><i>Japan</i></b>			
SoftBank Group Corp 6% PERP	3,100,000	3,040,211	0.52
<b><i>Macau</i></b>			
Champion Path Holdings Ltd 4.5% 1/27/2026	8,738,000	7,858,564	1.34
MGM China Holdings Ltd 4.75% 2/1/2027	2,000,000	1,819,319	0.31
MGM China Holdings Ltd 5.25% 6/18/2025	4,100,000	3,897,624	0.67
MGM China Holdings Ltd 5.375% 5/15/2024	1,300,000	1,271,866	0.22
Sands China Ltd 3.75% 8/8/2031	2,000,000	1,616,863	0.28
Sands China Ltd 4.3% 1/8/2026	6,800,000	6,387,958	1.09
Sands China Ltd 4.875% 6/18/2030	5,100,000	4,441,378	0.76
Sands China Ltd 5.625% 8/8/2025	5,440,000	5,359,571	0.92
Sands China Ltd 5.9% 8/8/2028	4,900,000	4,698,708	0.80
Studio City Co Ltd 7% 2/15/2027	12,750,000	12,353,393	2.11
Studio City Finance Ltd 5% 1/15/2029	4,015,000	3,083,788	0.53
Studio City Finance Ltd 6% 7/15/2025	2,358,000	2,125,171	0.36
Studio City Finance Ltd 6.5% 1/15/2028	3,500,000	2,840,011	0.48
		57,754,214	9.87
<b><i>Mongolia</i></b>			
Mongolian Mining Corp/Energy Resources LLC 9.25% 4/15/2024	23,923,000	17,481,274	2.99

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Quoted debt securities (Continued)</b>			
<b><i>Russia</i></b>			
Bank Otkritie Financial Corp OJSC Via OFCB Capital PLC 10% 4/26/2019	26,715,000	—	—
<b><i>Singapore</i></b>			
GLP Pte Ltd 3.875% 6/4/2025	3,100,000	2,544,259	0.43
Hyflux Ltd 4.2% 8/29/2049	11,000,000	—	—
Hyflux Ltd 4.25% 9/7/2049	6,500,000	—	—
Hyflux Ltd 4.6% 9/23/2049	3,000,000	—	—
Miclyn Express Offshore Pte Ltd 8.75% 11/25/2018	33,200,000	353,580	0.06
		2,897,839	0.49
<b><i>South Korea</i></b>			
Korean Air Lines Co Ltd 4.75% 9/23/2025	300,000	300,539	0.05
<b><i>The United States of America</i></b>			
Citigroup Global Markets Holdings Inc/United States 3.85% 9/28/2023	500,000	495,350	0.09
KKR REIGN I Ltd 5% 5/30/2049	3,500,000	2,587,083	0.44
		3,082,433	0.53

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Unlisted investment funds</b>			
<b><i>Cayman Islands</i></b>			
Ping An Global Featured Treasury Fund SPC - Ocean Fund SP Class SP9-A Shares**	12,000	-	-
Value Partners Asia Principal Credit Fund Limited Partnership**	500,000	25,921,750	4.43
		25,921,750	4.43
<b>Quoted investment funds</b>			
<b><i>Ireland</i></b>			
Value Partners Ireland Fund ICAV - Value Partners Greater China High Yield Bond Fund Class Z EUR Hedged Acc**	1,000	8,473	0.00

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Unquoted debt securities</b>			
<b><i>China</i></b>			
Zhong Yi Holdings Ltd 10% 3/29/2021	15,000,000	—	—
<b><i>Hong Kong</i></b>			
Chinlink International Holdings Ltd 13% 8/30/2021	30,000,000	—	—
<b><i>Malaysia</i></b>			
Nam Cheong Ltd Term Loan 4% 12/31/2024	1,133,114	84,585	0.01
<b><i>The United States of America</i></b>			
Project Eva 9% 10/23/2023	22,470,000	7,116,181	1.21
<b>Forward exchange contracts</b>		1,142,824	0.20
<b>Total financial assets at fair value through profit or loss</b>		574,266,910	98.12

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
Forward exchange contracts		(98,644)	(0.02)
Total financial liabilities at fair value through profit or loss		(98,644)	(0.02)
Total investments, net		574,168,266	98.10
Total investments, at cost		945,791,215	

\* The trading of equity securities has been suspended.

\*\* The investment funds are not authorised in Hong Kong and not available to the public in Hong Kong.

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## INVESTMENT PORTFOLIO MOVEMENTS (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2022

	% of net assets	
	2022	2021
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
<b>Listed equity securities</b>		
Hong Kong		
– H Shares	0.41	0.26
– Others	0.60	0.41
– Red Chips	0.39	0.28
Indonesia	–	0.94
Singapore	–	0.00
Taiwan	–	0.45
The United States of America	–	0.96
	1.40	3.30
<b>Unlisted equity securities</b>		
The United States of America	0.74	2.06
<b>Quoted debt securities</b>		
Australia	–	0.54
British Virgin Islands	–	0.08
Canada	0.40	0.31
China	50.35	53.21
Colombia	–	0.11
Great Britain	–	0.21
Hong Kong	9.78	4.13
India	6.08	1.79
Indonesia	9.07	9.06
Japan	0.52	0.21
Macau	9.87	–
Malaysia	–	0.13
Mongolia	2.99	2.56
Portugal	–	0.14
Russia	–	0.20
Singapore	0.49	0.25
South Korea	0.05	0.43
The United States of America	0.53	0.24
Vietnam	–	0.21
	90.13	73.81

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### INVESTMENT PORTFOLIO MOVEMENTS (UNAUDITED) (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

	% of net assets	
	2022	2021
<b>FINANCIAL ASSETS AT FAIR VALUE</b>		
<b>THROUGH PROFIT OR LOSS (Continued)</b>		
<b>Quoted investment funds</b>		
Cayman Islands	4.43	9.84
Ireland	0.00	0.00
	<u>4.43</u>	<u>9.84</u>
<b>Unquoted debt securities</b>		
Australia	-	4.30
Cayman Islands	-	0.13
China	-	-
Hong Kong	-	0.67
Malaysia	0.01	0.00
The United States of America	1.21	0.46
	<u>1.22</u>	<u>5.56</u>
<b>Forward exchange contracts</b>	<u>0.20</u>	<u>0.10</u>
<b>Total investments, net</b>	<u><u>98.12</u></u>	<u><u>94.67</u></u>
<b>FINANCIAL LIABILITIES AT FAIR VALUE</b>		
<b>THROUGH PROFIT OR LOSS</b>		
	<u>(0.02)</u>	<u>(0.06)</u>
<b>Forward exchange contracts</b>	<u>(0.20)</u>	<u>(0.06)</u>
<b>Total investments, net</b>	<u><u>98.10</u></u>	<u><u>94.61</u></u>

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

AS AT 31 DECEMBER 2022

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	Counter party	Fair value US\$
USD	3,284	AUD	4,913	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	60
USD	211,975	AUD	316,433	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	3,440
USD	42,881,041	AUD	64,306,964	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	896,640
USD	9,526,767	CAD	13,020,537	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	94,545
USD	467,527	CNH	3,249,655	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	752
USD	5,232,683	CNH	36,370,983	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	8,421

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

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

#### Financial assets: (Continued)

#### Forward exchange contracts (Continued)

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
USD	690,225	EUR	647,937	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	2,786
USD	8,450,611	EUR	7,932,872	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	34,115
USD	42,053	NZD	66,948	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	416
USD	9,001,837	NZD	14,215,634	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	15,928
USD	9,392,117	SGD	12,704,735	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	85,721
						<u>1,142,824</u>

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

### Financial liabilities:

#### Forward exchange contracts

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
AUD	1,432	USD	968	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(7)
AUD	10,362	USD	6,980	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(74)
CAD	18,032	USD	13,231	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(94)
USD	8,980,332	GBP	7,378,661	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(75,670)
CNH	40,000,000	USD	5,763,024	22 March 2023	The Hongkong and Shanghai Banking Corporation Limited	(22,799)
						<u>(98,644)</u>

## VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

### 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 proportion to the Fund's net assets value during the years ended 31 December 2022 and 2021.

	<b>2022</b> <i>% of NAV</i>	<b>2021</b> <i>% of NAV</i>
Lowest gross exposure	15.96%	14.67%
Highest gross exposure	65.40%	61.43%
Average gross exposure	29.94%	24.08%

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

	<b>2022</b> <i>% of NAV</i>	<b>2021</b> <i>% of NAV</i>
Lowest net exposure	–	–
Highest net exposure	–	–
Average net exposure	–	–

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## PERFORMANCE RECORD (UNAUDITED)

### Net assets (at last traded price)

	2022	2021	2020
<b>Net assets</b>	US\$585,262,992	US\$1,467,475,819	US\$3,666,959,904

### Net asset value per share

#### Class P

USD Acc Shares	USD8.78	USD12.58	USD16.23
USD MDis Shares	USD3.25	USD5.19	USD7.33
HKD Acc Shares	HKD8.75	HKD12.54	HKD16.08
HKD MDis Shares	HKD3.25	HKD5.18	HKD7.28
SGD Hedged MDis Shares	SGD3.50	SGD5.60	SGD7.92

#### Class A

AUD Hedged MDis Shares	AUD3.09	AUD4.99	AUD7.09
CAD Hedged MDis Shares	CAD3.20	CAD5.11	CAD7.23
EUR Hedged Acc Shares	EUR5.31	EUR7.80	EUR10.18
EUR Hedged MDis Shares	EUR3.43	EUR5.51	EUR7.79
GBP Hedged MDis Shares	GBP3.25	GBP5.24	GBP7.41
NZD Hedged MDis Shares	NZD3.25	NZD5.22	NZD7.41
MDis RMB Hedged Shares	RMB3.70	RMB5.93	RMB8.25
MDis RMB Unhedged Shares	RMB3.63	RMB5.36	RMB7.83
Acc RMB Hedged Shares	RMB8.34	RMB11.92	RMB14.99
Acc RMB Unhedged Shares	–	–	RMB13.63

#### Class z

USD MDis Shares	USD3.69	USD5.85	USD8.22
USD Acc Shares	USD7.62	USD10.86	USD13.95

#### Class X

USD Acc Shares	USD6.53	USD9.22	USD11.72
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# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## PERFORMANCE RECORD (UNAUDITED) (Continued)

### Performance record for the past 10 years

	Highest issue price per share								
	Class P				Class z		Class A		
	USD Acc Shares	USD MDis Shares	HKD Acc Shares	HKD MDis Shares	SGD Hedged MDis Shares	USD MDis Shares	USD Acc Shares	AUD Hedged MDis Shares	CAD Hedged MDis Shares
2022	US\$12.59	US\$5.19	HK\$12.56	HK\$5.19	SGD5.61	US\$5.85	US\$10.88	AUD5.00	CAD5.12
2021	US\$16.25	US\$7.34	HK\$16.10	HK\$7.29	SGD7.93	US\$8.23	US\$13.96	AUD7.10	CAD7.23
2020	US\$16.61	US\$8.17	HK\$16.53	HK\$8.14	SGD8.86	US\$9.12	US\$14.21	AUD7.96	CAD8.09
2019	US\$16.28	US\$8.48	HK\$16.21	HK\$8.52	SGD9.20	US\$9.43	US\$13.92	AUD8.32	CAD8.41
2018	US\$15.94	US\$9.37	HK\$15.94	HK\$9.39	SGD10.23	US\$10.38	US\$13.50	AUD9.29	CAD9.37
2017	US\$15.67	US\$9.58	HK\$15.68	HK\$9.55	SGD10.47	US\$10.55	US\$13.27	AUD9.57	CAD9.64
2016	US\$14.21	US\$9.25	HK\$14.10	HK\$9.19	SGD10.09	US\$10.12	US\$11.96	AUD9.32	CAD9.36
2015	US\$12.54	US\$9.42	HK\$12.44	HK\$9.36	SGD10.09	US\$10.12	US\$10.44	AUD9.62	CAD9.65
2014	US\$12.09	US\$9.78	HK\$11.99	HK\$9.73	SGD10.15	US\$10.04	-	AUD10.00	CAD10.04
2013	US\$11.69	US\$10.68	HK\$11.60	HK\$10.63	-	-	-	AUD10.14	CAD10.18

	Highest issue price per share							
	Class A							
	EUR Hedged Acc Shares	EUR Hedged MDis Shares	GBP Hedged MDis Shares	NZD Hedged MDis Shares	MDis RMB Hedged Shares	MDis RMB Unhedged Shares	Acc RMB Hedged Shares	Acc RMB Unhedged Shares
2022	EUR7.81	EUR5.51	GBP5.24	NZD5.23	RMB5.94	RMB5.37	RMB11.94	-
2021	EUR10.18	EUR7.79	GBP7.42	NZD7.42	RMB8.26	RMB7.81	RMB15.02	RMB13.59
2020	EUR10.56	EUR8.71	GBP8.31	NZD8.31	RMB9.15	RMB9.43	RMB15.12	RMB15.09
2019	EUR10.47	EUR9.05	GBP8.64	NZD8.66	RMB9.51	RMB9.65	RMB14.81	RMB14.79
2018	EUR10.18	EUR10.12	GBP9.69	NZD9.68	RMB10.61	RMB10.00	RMB14.35	RMB13.55
2017	-	EUR10.46	GBP10.01	NZD9.93	RMB10.73	RMB10.90	RMB14.09	RMB13.70
2016	-	EUR10.20	GBP9.76	NZD9.62	RMB10.17	RMB10.50	RMB12.39	RMB12.79
2015	-	EUR10.53	GBP10.11	NZD9.79	RMB10.03	RMB9.75	RMB10.69	RMB10.40
2014	-	-	-	NZD10.05	RMB10.25	RMB9.98	-	-
2013	-	-	-	NZD10.20	-	-	-	-

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

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

## PERFORMANCE RECORD (UNAUDITED) (Continued)

### Performance record for the past 10 years (Continued)

	Highest issue price per share
	Class X
	USD Acc Shares
2022	US\$9.23
2021	US\$11.74
2020	US\$11.74
2019	-
2018	-
2017	-
2016	-
2015	-
2014	-
2013	-

	Lowest redemption price per share								
	Class P					Class z		Class A	
	USD Acc Shares	USD MDis Shares	HKD Acc Shares	HKD MDis Shares	SGD Hedged MDis Shares	USD MDis Shares	USD Acc Shares	AUD Hedged MDis Shares	CAD Hedged MDis Shares
2022	US\$6.96	US\$2.63	HK\$6.98	HK\$2.64	SGD2.83	US\$2.97	US\$6.04	AUD2.50	CAD2.59
2021	US\$12.58	US\$5.19	HK\$12.54	HK\$5.18	SGD5.60	US\$5.85	US\$10.86	AUD4.99	CAD5.11
2020	US\$13.30	US\$6.47	HK\$13.19	HK\$6.43	SGD7.00	US\$7.23	US\$11.39	AUD6.28	CAD6.39
2019	US\$14.85	US\$7.96	HK\$14.88	HK\$7.97	SGD8.63	US\$8.88	US\$12.63	AUD7.77	CAD7.88
2018	US\$14.79	US\$8.03	HK\$14.79	HK\$8.05	SGD8.73	US\$8.92	US\$12.57	AUD7.89	CAD7.97
2017	US\$14.23	US\$9.09	HK\$14.12	HK\$9.03	SGD9.92	US\$9.97	US\$11.98	AUD9.09	CAD9.17
2016	US\$11.93	US\$8.30	HK\$11.88	HK\$8.29	SGD9.01	US\$9.01	US\$10.00	AUD8.43	CAD8.46
2015	US\$11.00	US\$8.47	HK\$10.91	HK\$8.42	SGD9.12	US\$9.15	US\$10.00	AUD8.62	CAD8.66
2014	US\$11.19	US\$8.97	HK\$11.12	HK\$8.93	SGD9.57	US\$9.60	-	AUD9.16	CAD9.20
2013	US\$10.66	US\$9.50	HK\$10.58	HK\$9.46	-	-	-	AUD9.90	CAD9.95

# VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND

(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							
	EUR Hedged Acc Shares	EUR Hedged MDis Shares	GBP Hedged MDis Shares	NZD Hedged MDis Shares	MDis RMB Hedged Shares	MDis RMB Unhedged Shares	Acc RMB Hedged Shares	Acc RMB Unhedged Shares
2022	EUR4.23	EUR2.77	GBP2.64	NZD2.64	RMB3.00	RMB3.08	RMB6.65	-
2021	EUR7.80	EUR5.51	GBP5.24	NZD5.22	RMB5.93	RMB5.36	RMB11.92	RMB13.34
2020	EUR8.43	EUR6.88	GBP6.56	NZD6.55	RMB7.24	RMB7.60	RMB12.11	RMB12.24
2019	EUR9.76	EUR8.49	GBP8.10	NZD8.10	RMB8.91	RMB8.97	RMB13.51	RMB13.07
2018	EUR9.75	EUR8.60	GBP8.21	NZD8.22	RMB9.04	RMB9.07	RMB13.44	RMB12.71
2017	-	EUR9.93	GBP9.51	NZD9.42	RMB10.01	RMB9.82	RMB12.42	RMB12.60
2016	-	EUR9.26	GBP8.85	NZD8.65	RMB9.02	RMB8.98	RMB10.22	RMB10.05
2015	-	EUR9.46	GBP9.06	NZD8.83	RMB9.01	RMB8.90	RMB9.87	RMB9.61
2014	-	-	-	NZD9.25	RMB9.45	RMB9.34	-	-
2013	-	-	-	NZD9.80	-	-	-	-

	Lowest redemption price per share	
	Class X	
	USD Acc Shares	
2022	US\$5.16	
2021	US\$9.22	
2020	US\$9.97	
2019	-	
2018	-	
2017	-	
2016	-	
2015	-	
2014	-	
2013	-	