



Value Partners

Investing through discipline

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

2022 ANNUAL REPORT

For the year ended 31 December 2022

Value Partners Hong Kong Limited

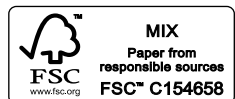
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VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

GENERAL INFORMATION

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

Trustee, Administrator and Custodian

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

Registrar

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
George Town
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Legal Advisor

Deacons
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18 Chater Road, Central
Hong Kong

Auditor

PricewaterhouseCoopers
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Website : www.valuepartners-group.com

GENERAL INFORMATION (Continued)

Recent awards and achievements

Fund award	
2022	<ul style="list-style-type: none"> • AsianInvestor Asset Management Awards 2022 Asset Class Awards: Asia ex-Japan Equity <i>– AsianInvestor</i>
2017	<ul style="list-style-type: none"> • Thomson Reuters Lipper Fund Awards 2017 Best Asia Pacific ex-Japan Equity (10 Years) <i>– Thomson Reuters</i>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

MANAGER'S REPORT

It was a challenging year for Asia equities amid various uncertainties caused by inflationary pressures, recession risks in the west, business disruption in China caused by anti-Covid controls and ongoing geopolitical tensions globally. In 2022, Value Partners High-Dividend Stocks Fund Class A1 USD and Class A2 USD MDis both declined 18.9%, and Class A RMB Unhedged Acc declined 11.4%, while the MSCI Asia ex Japan Index decreased 19.7%¹ during the period.

China: the outlook is positive

In Greater China, the country's zero-Covid policy weighed on its equities markets for most of the year, with the MSCI China Index down 21.9% in 2022.¹ However, market concerns were eased toward the end of the year as China relaxed its Covid measures. More recently, the speed of the country's reopening accelerated after the Central Economic Working Conference (CEWC) in December, with China scrapping quarantine requirements for inbound travelers from January. Meanwhile, policymakers also released various measures in the fourth quarter to support the ailing property market. Overall, we believe the outlook is positive for China in the long term, supported by pent-up consumer demand and further expected policy stimulus from the government.

Taiwan: exports moderating

Taiwan equities dragged amid the global demand slowdown, with the MSCI Taiwan Index down 29.8% in 2022.¹ Exports have moderated and were down 8.6% in the fourth quarter YoY.² Authorities also released Taiwan's preliminary 2022 GDP estimate, which is 3.1%, slightly lower than the 3.8% projection made in August.³ For 2023, it expects GDP to grow at a more moderate pace at 2.75%. Meanwhile, the central bank continued its rate hike cycle and raised interest rates by 12.5 bps – the fourth rate hike in 2022 – to combat inflation.⁴ Besides the global demand slowdown, we continue to monitor how other risks, such as the ongoing US-China technology-related tensions, will affect the market.

Korea: uncertainty in the memory cycle

Similar to Taiwan, exports continued to decline in Korea, down by 9.5% YoY in December.⁵ Besides weakening external demand, high inflation and interest rate hikes in the country drove the index to dive nearly 30% during the whole of 2022.¹ Bank of Korea also expects that GDP growth for 2023 will be 1.7%, considerably lower than its August forecast of 2.1%.⁶ However, we see the central bank taking milder steps toward controlling inflation and interest rate normalization and expect to see the end of the rate hike cycle soon. Nevertheless, we continue to monitor how the weak external demand due to recession risks, including the uncertainty in the memory cycle, will affect companies in the country.

Southeast Asia: Indonesia stands out

Southeast Asia equities outperformed their regional peers significantly in 2022, with the MSCI ASEAN Index declining only 6.3% during the year.¹ While inflation remains high in the region, most countries have healthy current account surpluses, supporting their economies. In addition, the region's reopening has become beneficial, especially for markets like Thailand, which was up 5% during the year.¹ Within the ASEAN market, we continue to favor banks in Singapore, which benefit from higher interest rates. Commodity companies in Indonesia also remain favorable, as they are part of a broader structural growth story.

MANAGER'S REPORT (Continued)**India: market outperformance continues**

India's equities market outperformed its North Asia peers, with the MSCI India Index performing -7.9% in 2022, supported by the country's reopening and resilient consumer spending.¹ Meanwhile, although the central bank was aggressive in hiking interest rates to combat inflation, we see signs of a moderating rate hike cycle following the Reserve Bank of India's move to increase rates by a smaller 35 bps (versus the previous 50-bps hikes) in December.⁷ Given the country's long-term structural drivers, we remain constructive toward the market and continue to favor banking names as they perform well in a rising interest rate environment. We continue to monitor external risks that may affect the economy, including the global economic slowdown.

Portfolio review:

Following a stellar performance a month ago, our Fund was flat in December 2022, with its value down 0.1% during the month, in line with the MSCI Asia ex Japan Index's -0.2% performance.

Our portfolio holdings in Hong Kong and China have continued to do well. The top performers coming from these markets during the month include a leading retail bank, a leading software services provider, and a major auto dealer. They are expected to benefit from the improved market and macro conditions. Meanwhile, we also recorded widespread gains in the portfolio holdings across China's infrastructure, healthcare, telecom services, and financial sectors.

However, the solid share price performances of these Chinese companies were offset by a less stunning performance elsewhere, notably in Taiwan, Korea, and India. In particular, some of our technology holdings in the Taiwan and Korea markets – including a leading semiconductor foundry, a consumer electronics giant, and a leading smartphone chipmaker – have declined amid rising concerns over the global consumer electronic downturn. Despite the near-term challenges, especially in view of the looming US recession, we continue to see solid long-term business competitiveness on the back of their strong strategic positioning, sound business profiles, and solid balance sheets. Moreover, as they are trading at trough or close-to-trough valuations, we see limited further downside in these companies and remain faithful that they are well-positioned toward long-term technology business growth.

Key position changes:

We continued to adjust our positions to build a robust portfolio. Activities during the month include trimming our position in a property and casualty insurance company in China and raising our exposure in a Chinese life insurer. We have also switched within the telecom operators in China. Moreover, from a regional perspective, we have slightly increased our positions in some ASEAN markets but slightly lowered our exposure in India. We continue to hold a low cash position of around 3% as we aim to capture long-term investment opportunities from the paced market movements.

Outlook:

For the full-year 2022, Value Partners High-Dividend Stocks Fund Class A1 USD and Class A2 USD MDIs both declined 18.9%, and Class A RMB Unhedged Acc declined 11.4%, while the MSCI Asia ex Japan Index was down at a greater 19.7%.¹ While our Fund was dragged by the weak performance of the Greater China region and the Korean market, we believe the Fund's performance still demonstrated the resilience of our strategy, which focuses on achieving a steady dividend stream from quality companies.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

MANAGER'S REPORT (Continued)

Outlook (Continued)

Looking forward, we see a rather mixed outlook in Asia in 2023. While the China market is poised to see a strong recovery, the looming recession in the US and further rate hikes from the FED may create further volatility in the stock market. In particular, some better-performing markets in Asia last year could come under pressure this year, while others may selectively benefit from China's reopening.

Overall, we continue to see a bumpy recovery in the Asian markets ahead, but we remain optimistic about China's long-term market outlook. We continue to believe Chinese equities, in general, offer good long-term risk-reward opportunities at current valuation levels.

While we continue to pay close attention to macro developments, including export trends, currency movements, and geopolitical events, we stick with our bottom-up stock selection approach and remain nimble in our dynamic allocation between stable and cyclical high yield equities.

As a closing remark, we celebrated the Fund's 20th anniversary last year. We take pride in the Fund's long-term track record and would like to express our sincere thanks for your support throughout the years. Looking ahead, we will continue to uphold our Fund's time-proven strategy and look forward to being your long-term companion in capturing the region's economic prosperity.

Value Partners Hong Kong Limited

26 April 2023

Sources:

1. MSCI, 31 December 2022
2. Ministry of Finance, Taiwan, 7 January 2023
3. Directorate-General of Budget, Accounting and Statistics, Taiwan, 29 November 2022
4. Central Bank of Taiwan, 15 December 2022
5. Ministry of Trade, Industry and Energy, 3 January 2023
6. Bank of Korea, 24 November 2022
7. Reserve Bank of India, 7 December 2022

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

Individual stock performance is not indicative of fund performance.

The views expressed are the views of Value Partners 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.

MANAGER'S REPORT (Continued)

Top 10 securities holdings as at 31 December 2022

Stock	Industry	Valuation (2023 Estimates)	Remarks
<p>China Telecom Corp Ltd (Code: 728 HK)</p> <p>Market cap: US\$52.6 billion</p>	Telecom services	<p>Price: HK\$3.07 P/E: 8.2x P/B: 0.6x Yield: 8.3%</p>	<p>China Telecom (CT) is one of the three nationwide telecom operators in China, and the incumbent fixed line carrier in the southern provinces.</p> <p>The telecom industry revenue continued to show improving dynamics. CT is benefitting from the higher pricing for 5G and better competitive environment.</p> <p>We also believe more value should be ascribed to the IDC (Internet Data Center) and Cloud business of telcos. "Industrial Digitalization" is a good growth driver for the telcos, especially for CT as an incumbent fixed line operator. In the first half of 2022, Industrial Digitalization contributed to about a quarter of CT's revenue, the highest among all three telcos.</p>
<p>Taiwan Semiconductor Manufacturing (Code: 2330 TT)</p> <p>Market cap: US\$378.5 billion</p>	Semiconductors and semiconductor equipment	<p>Price: TWD448.5 P/E: 13.4x P/B: 3.5x Yield: 2.6%</p>	<p>Taiwan Semiconductor Manufacturing is a world-class independent semiconductor foundry. It provides integrated circuit (IC) design houses with integrated services for process design, wafer manufacturing and testing. As a global leader with more than 50% share of the outsourcing market, the company has consistently outperformed competitors in terms of technology and profitability. We believe it is well-positioned to continue to benefit from the growing IC manufacturing outsourcing market and the rising demand for the Internet of things trend, AI chips and new application areas.</p>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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MANAGER'S REPORT (Continued)

Top 10 securities holdings as at 31 December 2022 (Continued)

Stock	Industry	Valuation (2023 Estimates)	Remarks
Samsung Electronics (Code: 005935 KS) Market cap: US\$32.9 billion	Technology, hardware and equipment	Price: KRW50,500.0 P/E: 16.1x P/B: 1.0x Yield: 2.7%	Samsung Electronics is a global leader in semis memory, OLED, smartphones, TVs and home appliances with a diversified global customer base. The Company's market-leading technologies, particularly its memory business, have gained solid global market share. The business is set to benefit from growing storage and processing demand from data consumption and computation.
China Merchants Bank (Code: 3968 HK) Market cap: US\$137.1 billion	Banks	Price: HK\$43.65 P/E: 6.8x P/B: 1.1x Yield: 4.8%	<p>Shenzhen-based China Merchants Bank is one of the largest banking groups in China. CMB has a strong brand name and a well-established franchise. They are the largest privately-owned bank, with clear profit-seeking objectives and a strong and incentivized management team. The bank focuses on retail banking, which has higher growth and margins.</p> <p>Among its peers, CMB has the best track record in terms of growth, profitability, and asset quality. The bank has a solid mobile banking franchise, enabling it to lead in the online banking space. It is also a pioneer in the growing wealth management space, which increases client stickiness and generates recurring fee income. Given the bank's huge retail banking business, it is well-positioned to take advantage of the structural demand growth from retail clients for professionally managed solutions</p>

MANAGER'S REPORT (Continued)

Top 10 securities holdings as at 31 December 2022 (Continued)

Stock	Industry	Valuation (2023 Estimates)	Remarks
China Construction Bank (Code: 939 HK) Market cap: US\$158.5 billion	Banks	Price: HK\$4.89 P/E: 3.3x P/B: 0.4x Yield: 9.3%	China Construction Bank ranks second in China in terms of assets and deposits. It has one of the best track records among large Chinese banks. The bank is well balanced between growth, profitability, capital adequacy and shareholders returns, and has been a consistent leader in core profitability. Its core capital adequacy and reserve coverage are also one of the best among peers. The bank has the largest existing mortgage exposure and longest mortgage duration, making it a defensive play in the banking space.
China State Construction International Holdings (Code: 3311 HK) Market cap: US\$5.7 billion	Capital goods	Price: HK\$8.77 P/E: 4.7x P/B: 0.6x Yield: 6.5%	China State Construction is engaged in infrastructure investment and construction projects. It is one of the largest general contractors in Hong Kong and Macau and a leading integrated urban investment operator in mainland China. CSC's expertise in prefabrication construction has won the company orders in Hong Kong and Macau, and continues to see robust demand in the Greater Bay Area. We also expect that China's positive tone on infrastructure spending for 2022 should help drive construction activities for the year, benefiting the company.
Sinopharm Group Co (Code: 1099 HK) Market cap: US\$7.9 billion	Pharmaceuticals, biotechnology and life sciences	Price: HK\$19.84 P/E: 6.0x P/B: 0.7x Yield: 5.0%	Sinopharm Group is the largest wholesaler and retailer of pharmaceutical, medical devices and healthcare products in China. It is mainly engaged in pharmaceutical and medical devices distribution business. As we expect China's pharmaceutical distribution industry to be more concentrated in the future, we view that Sinopharm to benefit from this and win a larger share of the market, given its scale advantages in its sales network, hospital customer relationship and costs.

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MANAGER'S REPORT (Continued)

Top 10 securities holdings as at 31 December 2022 (Continued)

Stock	Industry	Valuation (2023 Estimates)	Remarks
China Railway Group (Code: 390 HK) Market cap: US\$18.8 billion	Capital Goods	Price: HK\$4.12 P/E: 2.6x P/B: 0.3x Yield: 7.0%	China Railway Group is one of the largest integrated construction group in Asia. It is engaged in several construction-related businesses, such as engineering survey, design and construction, industrial equipment manufacturing, real estate development, and resources and mining development. China's positive tone on infra spending for 2022 should help drive construction activities for the year, benefiting the company.
Far East Horizon Ltd (Code: 3360 HK) Market cap: US\$3.4 billion	Diversified Financials	Price: HK\$6.10 P/E: 3.4x P/B: 0.5x Yield: 7.8%	Far East Horizon is one of the largest financial leasing companies in China. It has a good track record and constantly delivers industry-leading performance. The company has an industrial operation business, including operating lease and hospital group.
KB Financial Group (Code: 105560 KS) Market cap: US\$15.7 billion	Banks	Price: KRW48,500.0 P/E: 4.4x P/B: 0.4x Yield: 6.4%	KB Financial is among the largest financial holding companies in Korea. It is a leader in the country's retail banking through its wholly-owned subsidiary, Kookmin Bank. Its other businesses include KB Securities, KB Life, and KB Asset Management. The group is expected to have productivity gains on its banking business and continued cost reduction initiatives, which should improve long-term earnings.

Note: The above investments made up 39.5% of Value Partners High-Dividend Stocks Fund as at 31 December 2022. The stock prices are based on the closing of 31 December 2022.

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

MANAGER'S REPORT (Continued)

Value Partners High-Dividend Stocks Fund – NAV as at 31 December 2022

Classes	NAV per unit
Class A1 USD	USD89.87
Class A1 HKD ^β (for reference only)	HKD699.78
Class A Acc HKD Hedged	HKD7.88
Class A Acc RMB Hedged	RMB13.09
Class A Acc RMB Unhedged	RMB15.45
Class A2 MDis USD	USD9.14
Class A2 MDis HKD	HKD8.39
Class A2 MDis AUD Hedged	AUD7.36
Class A2 MDis CAD Hedged	CAD7.76
Class A2 MDis GBP Hedged	GBP7.29
Class A2 MDis NZD Hedged	NZD7.73
Class A2 MDis RMB Hedged	RMB7.84
Class A2 MDis RMB Unhedged	RMB8.61
Class A2 MDis SGD Hedged	SGD8.59
Class P MDis RMB	RMB9.4146
Class P MDis RMB Hedged	RMB9.5661
Class P Acc RMB	RMB10.8933
Class P Acc RMB Hedged	RMB11.1858
Class X Acc USD Unhedged	USD15.97
Class Z	USD14.54

^β Investors should note that the base currency of the Fund is in USD. The HKD equivalent NAV per unit is for reference only and should not be used for subscription or redemption purpose. Conversion to the base currency of the Fund will normally take place at the prevailing rate (as determined by the Fund's Trustee or Custodian) on the corresponding fund dealing day. Investors should be aware of possible risks resulting from fluctuations of exchange rates against USD.

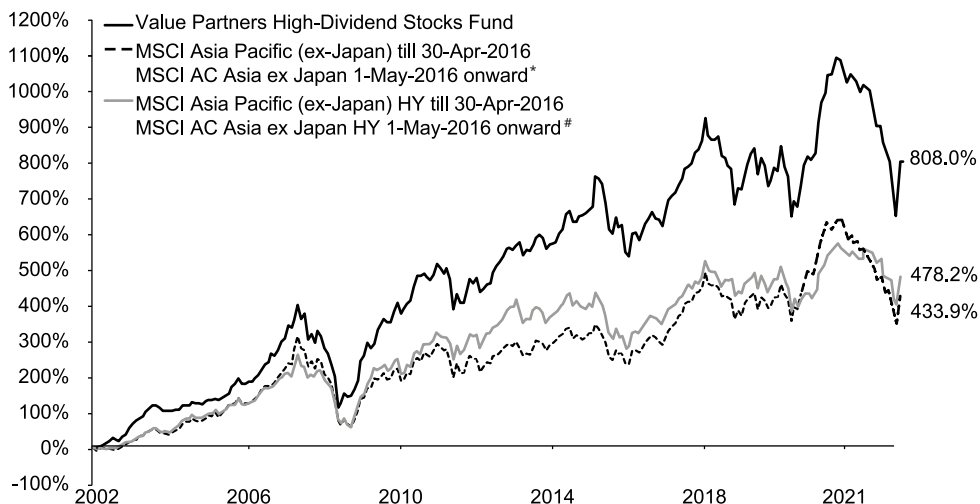
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

MANAGER'S REPORT (Continued)

Performance since launch

From 2 September 2002 to 31 December 2022



β Investors should note that the base currency of the Fund is in USD. The HKD equivalent NAV per unit is for reference only and should not be used for subscription or redemption purpose. Conversion to the base currency of the Fund will normally take place at the prevailing rate (as determined by the Fund's Trustee or Custodian) on the corresponding fund dealing day. Investors should be aware of possible risks resulting from fluctuations of exchange rates against USD.

* MSCI AC Asia Pacific (ex-Japan) Index (Total Net Return) was used up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Index (Total Net Return) due to a change in investment profile. MSCI (Total Net Return) Indices takes into account of dividend reinvestment after deduction of withholding tax.

MSCI AC Asia Pacific (ex-Japan) High Dividend Yield Index (Total Net Return) was used up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) High Dividend Yield Index (Total Net Return) due to a change in investment profile. MSCI (Total Net Return) Indices takes into account of dividend reinvestment after deduction of withholding tax.

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE**Manager's responsibilities**

The Manager, Value Partners Hong Kong Limited, 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 Trust Deed dated 7 August 2002, as further amended and / or supplemented from time to time ("Trust Deed") and Deed of retirement and appointment of Manager dated 31 March 2016 to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of Value Partners High-Dividend Stocks Fund (the "Fund") at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

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

The Manager is also required to manage the Fund in accordance with the Trust Deed and Deed of retirement and appointment of Manager dated 31 March 2016 and take reasonable steps for the prevention and detection of fraud and other irregularities.

Trustee's responsibilities

The Trustee, HSBC Institutional Trust Services (Asia) Limited, is required to:

- ensure that the Fund is managed by the Manager in accordance with the Trust Deed and Deed of retirement and appointment of Manager dated 31 March 2016 and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained so as to enable the financial statements to be prepared;
- safeguard the property of the Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Fund.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

TRUSTEE'S REPORT

We hereby confirm that, in our opinion, the Manager, Value Partners Hong Kong Limited, has, in all material respects, managed Value Partners High-Dividend Stocks Fund in accordance with the provisions of the Trust Deed dated 7 August 2002, as further amended and / or supplemented from time to time ("Trust Deed") and Deed of retirement and appointment of Manager dated 31 March 2016 for the year ended 31 December 2022.

For and on behalf of

HSBC Institutional Trust Services (Asia) Limited

Trustee

26 April 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND**

(A unit trust established in Hong Kong)

Report on the Audit of the Financial Statement

Opinion

What we have audited

The financial statements of Value Partners High-Dividend Stocks Fund (the "Fund"), which are set out on pages 19 to 65, 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 unitholders 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.

Our opinion

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

Basis for Opinion

We conducted our audit in accordance with 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"), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND (Continued)

(A unit trust established in Hong Kong)

Report on the Audit of the Financial Statement (Continued)

Other Information

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Management for the Financial Statements

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the 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, the Management of the Fund 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 the Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 7 August 2002 as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND
(Continued)**

(A unit trust established in Hong Kong)

Report on the Audit of the Financial Statement (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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Trust Deed 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 the Management.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND (Continued)

(A unit trust established in Hong Kong)

Report on the Audit of the Financial Statement (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and Appendix E of the SFC Code

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 26 April 2023

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 US\$	2021 US\$
Assets			
Current assets			
Financial assets at fair value through profit or loss	4(d)	1,368,180,019	1,800,014,084
Amounts receivable on sales of investments		736,536	3,038,686
Amounts receivable on issue of units		3,901,755	3,682,704
Dividends, interest and other receivables	7(g)	1,852,156	3,102,902
Margin deposits		2,834	2,796
Bank balances	7(g)	50,836,366	39,038,920
Total assets		<u>1,425,509,666</u>	<u>1,848,880,092</u>
Liabilities			
Current liabilities			
Financial liabilities at fair value through profit or loss	4(d)	299,907	4,483
Amounts payable on purchase of investments		1,574,369	805,442
Amounts payable on redemption of units		2,851,883	3,070,747
Management fees payable	7(a)	1,512,595	1,924,225
Performance fees payable	7(b)	–	11,395,867
Distributions payable		4,129,763	3,922,318
Accruals and other payables	7(g)	352,085	270,415
Liabilities (excluding net assets attributable to unitholders)		<u>10,720,602</u>	<u>21,393,497</u>
Net assets attributable to unitholders	6	<u>1,414,789,064</u>	<u>1,827,486,595</u>

Signed by:

Value Partners Hong Kong Limited, Manager

HSBC Institutional Trust Services (Asia) Limited, Trustee

The notes on pages 26 to 65 are an integral part of these financial statements.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 US\$	2021 US\$
Income			
Dividends		70,219,902	70,118,329
Interest on bank deposits	7(g)	236,788	10,958
Net realised (losses)/gains on investments		(128,006,800)	264,548,160
Change in unrealised gains/losses on investments		(278,558,446)	(216,469,439)
Net foreign exchange losses		(1,646,343)	(1,839,752)
Other income		6	6,675
		<u>(337,754,893)</u>	<u>116,374,931</u>
Expenses			
Management fees	7(a)	(19,328,018)	(24,068,556)
Performance fees	7(b)	-	(11,395,867)
Transaction costs	7(g),9	(3,964,763)	(7,851,462)
Trustee and fund administration fees	7(c),7(g)	(1,986,601)	(2,558,033)
Interest expense	7(g)	(200,018)	(358,788)
Safe custody and bank charges	7(g)	(275,483)	(391,470)
Legal and professional fees		(31,351)	(81,680)
Auditor's remuneration		(37,220)	(37,200)
Other operating expenses	7(g)	(968,875)	(1,123,253)
		<u>(26,792,329)</u>	<u>(47,866,309)</u>
(Loss)/profit before tax		(364,547,222)	68,508,622
Withholding tax on dividends and other investment income	8(c)	(5,768,888)	(5,922,003)
(Loss)/profit after tax and before distributions		(370,316,110)	62,586,619
Distributions to Unitholders	10	(49,919,560)	(38,861,387)
(Decrease)/increase in net assets attributable to unitholders from operations after distributions		<u>(420,235,670)</u>	<u>23,725,232</u>

The notes on pages 26 to 65 are an integral part of these financial statements.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 US\$	2021 US\$
Net assets attributable to unitholders as at 1 January	1,827,486,595	1,925,917,788
Issue of units	541,308,796	522,993,266
Redemption of units	(533,770,657)	(645,149,691)
Net increase/(decrease) from unit transactions	7,538,139	(122,156,425)
(Loss)/profit after tax and before distributions	(370,316,110)	62,586,619
Distributions to Unitholders	(49,919,560)	(38,861,387)
(Decrease)/increase in net assets attributable to unitholders from operations after distributions	(420,235,670)	23,725,232
Net assets attributable to unitholders as at 31 December	1,414,789,064	1,827,486,595

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Number of units	As at 1 January	Issue of units	Redemption of units	As at 31 December
2022				
Class A1 USD	7,116,124	837,469	(1,480,688)	6,472,905
Class A Acc HKD Hedged	2,215,346	124,844	(62,893)	2,277,297
Class A Acc RMB Hedged	1,940,014	98,764	(141,878)	1,896,900
Class A Acc RMB Unhedged	5	32,384	–	32,389
Class A2 MDis USD	36,753,617	25,008,846	(24,753,845)	37,008,618
Class A2 MDis HKD	197,220,104	73,842,051	(48,944,645)	222,117,510
Class A2 MDis AUD Hedged	19,826,053	6,335,455	(4,391,805)	21,769,703
Class A2 MDis CAD Hedged	4,773,107	1,689,640	(991,629)	5,471,118
Class A2 MDis GBP Hedged	3,416,864	1,410,399	(892,208)	3,935,055
Class A2 MDis NZD Hedged	4,663,486	3,446,886	(1,686,752)	6,423,620
Class A2 MDis RMB Hedged	15,093,201	18,689,799	(8,157,393)	25,625,607
Class A2 MDis RMB Unhedged	1,578,840	1,318,050	(237,530)	2,659,360
Class A2 MDis SGD Hedged	1,375,062	352,820	(497,623)	1,230,259
Class P MDis RMB	59,719	68,746	(24,418)	104,047
Class P MDis RMB Hedged	28,565	78,560	(30,087)	77,038
Class P Acc RMB	134,379	127,193	(103,128)	158,444
Class P Acc RMB Hedged	418,445	306,054	(384,618)	339,881
Class X Acc USD Unhedged	8,711	11,648	(3,541)	16,818
Class Z	1,066,573	–	(910,617)	155,956

The notes on pages 26 to 65 are an integral part of these financial statements.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(Continued)***FOR THE YEAR ENDED 31 DECEMBER 2022*

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

Number of units	As at 1 January	Issue of units	Redemption of units	As at 31 December
2021				
Class A1 USD	7,755,208	620,262	(1,259,346)	7,116,124
Class A Acc HKD Hedged	–	2,215,346	–	2,215,346
Class A Acc RMB Hedged	1,009,897	1,043,348	(113,231)	1,940,014
Class A Acc RMB Unhedged	90,989	28,000	(118,984)	5
Class A2 MDis USD	41,410,602	12,879,296	(17,536,281)	36,753,617
Class A2 MDis HKD	200,880,646	75,846,025	(79,506,567)	197,220,104
Class A2 MDis AUD Hedged	20,882,651	6,804,004	(7,860,602)	19,826,053
Class A2 MDis CAD Hedged	4,425,209	2,549,580	(2,201,682)	4,773,107
Class A2 MDis GBP Hedged	2,825,769	1,933,492	(1,342,397)	3,416,864
Class A2 MDis NZD Hedged	4,292,372	2,770,989	(2,399,875)	4,663,486
Class A2 MDis RMB Hedged	14,817,240	9,720,810	(9,444,849)	15,093,201
Class A2 MDis RMB Unhedged	1,570,485	1,480,032	(1,471,677)	1,578,840
Class A2 MDis SGD Hedged	1,293,547	1,191,336	(1,109,821)	1,375,062
Class P MDis RMB	13,197	67,609	(21,087)	59,719
Class P MDis RMB Hedged	13,031	69,848	(54,314)	28,565
Class P Acc RMB	53,690	413,300	(332,611)	134,379
Class P Acc RMB Hedged	261,102	1,837,769	(1,680,426)	418,445
Class X Acc USD Unhedged	197,707	67,528	(256,524)	8,711
Class Z	531,943	717,867	(183,237)	1,066,573

The notes on pages 26 to 65 are an integral part of these financial statements.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 US\$	2021 US\$
Cash flows from operating activities		
(Decrease)/increase in net assets attributable to unitholders from operations	(420,235,670)	23,725,232
Adjustments for:		
Dividends and interest on bank deposits	(70,456,690)	(70,129,287)
Distributions to unitholders	49,919,560	38,861,387
Withholding tax on dividends and other investment income	5,768,888	5,922,003
	(435,003,912)	(1,620,665)
Decrease in financial assets at fair value through profit or loss	431,834,065	167,928,424
Increase/(decrease) in financial liabilities at fair value through profit or loss	295,424	(21,015)
Decrease in amounts receivable on sales of investments	2,302,150	3,559,276
Increase/(decrease) in amounts payable on purchase of investments	768,927	(17,120,145)
Decrease in other receivables	46	95,967
Decrease in bank overdrafts	-	(2,971,967)
Increase in margin deposits	(38)	(3)
Decrease in management fees payable	(411,630)	(99,123)
Decrease in performance fees payable	(11,395,867)	(28,919,458)
Increase/(decrease) in accruals and other payables	81,670	(59,912)
Cash (used in)/generated from operations	(11,529,165)	120,771,379
Dividends and interest on bank deposits received	65,938,502	63,866,227
Net cash inflow from operating activities	54,409,337	184,637,606

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 US\$	2021 US\$
Cash flows from financing activities		
Distributions paid to Unitholders	(49,712,115)	(38,209,727)
Proceeds from issue of units	541,089,745	521,819,582
Payments on redemption of units	<u>(533,989,521)</u>	<u>(653,153,073)</u>
Net cash outflow from financing activities	<u>(42,611,891)</u>	<u>(169,543,218)</u>
Increase in cash and cash equivalents	11,797,446	15,094,388
Cash and cash equivalents as at 1 January	<u>39,038,920</u>	<u>23,944,532</u>
Cash and cash equivalents as at 31 December, representing bank balances	<u><u>50,836,366</u></u>	<u><u>39,038,920</u></u>

The notes on pages 26 to 65 are an integral part of these financial statements.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Value Partners High-Dividend Stocks Fund (the “Fund”) is an open-ended unit trust established by the Trust Deed dated 7 August 2002 as further amended and / or supplemented from time to time (“Trust Deed”) and governed by the laws of Hong Kong. The Fund is authorised by the Securities and Futures Commission of Hong Kong and is required to comply with the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the “Code”).

The Fund’s investment objective is to provide capital appreciation to unitholders by investing primarily (i.e. not less than 70% of the Fund’s NAV) in a portfolio of relatively higher yielding debt and equity securities in the Asian region. The Fund will concentrate on investing in interest-bearing or dividend distributing debt and equity securities of companies or issuers listed in the Asian markets or which, in the opinion of the Manager, derive a significant proportion of their earnings or revenues from Asia. There are no fixed geographical, sectoral or industry weightings in the allocation of assets and the Manager does not intend to follow benchmark indices in determining the geographical, sectoral or industry weightings of the Fund. For the avoidance of doubt, not less than 70% of the Fund’s NAV will be invested in equity securities. The Fund’s investment activities are managed by Value Partners Hong Kong Limited (the “Manager”) and the Fund’s administration is delegated to HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

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 years presented, unless otherwise stated.

(a) Basis of preparation

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

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 “Consolidated Financial Statement” 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 the unconsolidated structure 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 its investment in investee funds to be investment 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 a group company of the Manager who apply various investment strategies to accomplish the respective investment objectives of the investee funds.

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.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 at fair value through profit or loss.

The Fund's policy requires the Manager and Trustee 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****(d) Financial assets and liabilities at fair value through profit or loss (Continued)****(ii) Recognition/derecognition**

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

(iii) Measurement

Financial assets 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 of financial assets at fair value through profit or loss are presented in the statement of comprehensive income in the year in which they arise.

(iv) Fair value estimation

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

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

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

Debt securities are stated at fair value based on quoted prices inclusive of accrued interest.

Investments in investee funds are stated at fair value based on the net asset value per unit/share 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.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Income

(i) *Interest income*

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

Interest income on debt securities is recognised in the statement of comprehensive income within “Net realised (losses)/gains 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 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 the statement of comprehensive income as an expense.

(h) Distributions to unitholders

Proposed distributions to unitholders 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 units is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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 unitholders 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)/gains on investments" and "change in unrealised gains/losses on investments".

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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, other short-term highly liquid investments with original maturities of 3 months or less, and exclude overdrafts with the broker as they are restricted for investment purposes. Bank overdrafts are shown in current liabilities in the statement of financial position.

(m) Redeemable units

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

The redeemable units will be issued when the signed application for subscription or switching of Units 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 units 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 Unitholders may not exceed one calendar month. The amounts payable on redemption of units are recognised when the redemption requests are received but not yet settled.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Fair value of financial instruments not quoted in an active market

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

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

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

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

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			
	Non- monetary net assets	Monetary net assets	Percentage change	Estimated impact on net assets
	<i>US\$ equivalent</i>	<i>US\$ equivalent</i>	<i>%</i>	<i>US\$</i>
As at 31 December 2022				
Australian dollar	–	109,528,835	+/-5	+/-5,476,442
Canadian dollar	–	31,443,896	+/-5	+/-1,572,195
Hong Kong dollar*	852,669,906	27,704,511	+/-0	–
Indian rupiah	3,024,678	1,821,336	+/-5	+/-242,301
Indonesian rupiah	11,084,088	–	+/-5	+/-554,204
Korean won	182,160,231	3	+/-5	+/-9,108,012
Malaysian ringgit	4,396,241	9	+/-5	+/-219,813
New Zealand dollar	–	31,575,376	+/-5	+/-1,578,769
Philippine Peso	4,174,948	–	+/-5	+/-208,747
Pound Sterling	–	34,833,632	+/-5	+/-1,741,682
Renminbi	52,669,520	33,751,161	+/-5	+/-4,321,034
Singapore dollar	18,598,361	9,060,046	+/-5	+/-1,382,920
Taiwan dollar	129,371,426	16,299,540	+/-5	+/-7,283,548
	<u>1,258,149,399</u>	<u>296,018,345</u>		

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	Monetary net assets	Percentage change	Estimated impact on net assets
	US\$ equivalent	US\$ equivalent	%	US\$
As at 31 December 2021				
Australian dollar	–	139,574,550	+/-5	+/-6,978,728
Canadian dollar	–	38,475,820	+/-5	+/-1,923,791
Hong Kong dollar*	1,074,072,188	22,563,922	+/-0	–
Indonesian rupiah	23,632,571	–	+/-5	+/-1,181,629
Malaysian ringgit	–	10	+/-5	+/-1
New Zealand dollar	–	32,114,225	+/-5	+/-1,605,711
Pound sterling	–	44,354,165	+/-5	+/-2,217,708
Renminbi	67,588,698	31,021,533	+/-5	+/-4,930,512
Singapore dollar	28,662,625	11,590,756	+/-5	+/-2,012,669
South Korean won	238,790,153	–	+/-5	+/-11,939,508
Taiwan dollar	201,608,318	5,939,008	+/-5	+/-10,377,366
	<u>1,634,354,553</u>	<u>325,633,989</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 HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) *Price risk*

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Fund trade in financial instruments, taking positions in traded and over-the-counter instruments to take advantage of short-term market movements in the equity and bond markets within specified limits. The Fund is also subject to market price risk in relation to their investment of units in underlying funds, for prices in the future are uncertain.

The investment of equity securities, debt instruments and units in underlying funds are classified as financial assets at fair value through profit or loss in the statement of net assets.

All investments present a risk of loss of capital. The Manager moderate this risk through (i) a careful selection of securities and other financial instruments within specified limits, (ii) diversification of the investment portfolio whereby the maximum value of each Fund holding of securities issued by any single issuer may not exceed 10% of its total nets assets and (iii) deliberate investment funds selection.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Price risk (Continued)

The Fund's overall market exposures at the reporting date were as follows:

	% of net assets	
	2022	2021
Financial assets at fair value through profit or loss		
Listed equity securities		
China	3.72	3.70
Hong Kong		
– H shares	31.84	24.17
– Red chips	15.69	17.42
– Others	12.74	17.18
India	0.21	–
Indonesia	0.78	1.29
Malaysia	0.31	–
Philippines	0.30	–
Singapore	1.89	2.08
South Korea	12.88	13.07
Taiwan	9.14	11.03
The United States of America	0.34	–
	<u>89.84</u>	<u>89.94</u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

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 assets at fair value through profit or loss (Continued)		
Unlisted equity security	–	–
Unlisted investment funds	6.68	8.46
Forward exchange contracts	0.19	0.10
	<u>96.71</u>	<u>98.50</u>
Financial liabilities at fair value through profit or loss		
Forward exchange contracts	(0.02)	(0.00)
	<u>96.69</u>	<u>98.50</u>

The table below shows the analysis of the net position of equity securities and derivatives on equity securities by industry.

	2022	2021
	%	%
Basic materials	0.61	2.30
Consumer discretionary	7.57	6.87
Consumer staples	0.15	–
Energy	0.10	1.66
Financials	22.53	16.46
Health care	3.24	2.18
Industrials	17.67	19.01
Real estate	4.81	13.76
Technology	21.33	24.70
Telecommunications	17.15	11.04
Utilities	4.84	2.02
	<u>100.00</u>	<u>100.00</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Price risk (Continued)

The Fund may sell securities of an issuer short. Short sales made by the Fund involve certain risks and special considerations. Possible losses from short sales differ from losses that could be incurred from a purchase of a security, because losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested.

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

	Percentage change		Estimated impact on net assets	
	2022	2021	2022	2021
	%	%	US\$	US\$
MSCI Asia Pacific (ex-Japan) Index	+/-30	+/-30	+/-406,840,314	+/-439,628,163

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(iii) Interest rate risk

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

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

	Less than 1 month	
	2022	2021
	<i>US\$</i>	<i>US\$</i>
Bank balances	<u>50,836,366</u>	<u>39,038,920</u>
Total interest sensitivity gap	<u><u>50,836,366</u></u>	<u><u>39,038,920</u></u>

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

(b) Credit and counterparty risk

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

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

	2022 US\$	2021 US\$
Counterparty		
Cash and margin deposit with banks and brokers		
Aa3	50,839,200	39,041,716
A2	–	2,796
Investments placed with custodian		
Aa3	1,368,180,019	1,800,014,084
Amounts receivable on issue of units		
Unrated	3,901,755	3,682,704

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 units, dividends, interest receivables and other receivables, margin deposits and bank balances are held with counterparties with a credit rating of Aa3 (2021: Aa3) or higher and are due to be settled within 1 week. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

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

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

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 tables are the contractual undiscounted cash flows. The tables below reflect 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 months	
	2022	2021
	<i>US\$</i>	<i>US\$</i>
Net assets attributable to unitholders	1,414,789,064	1,827,486,595
Amounts payable on purchase of investments	1,574,369	805,442
Amounts payable on redemption of units	2,851,883	3,070,747
Management fees and performance fees payable	1,512,595	13,320,092
Distributions payable	4,129,763	3,922,318
Accruals and other payables	352,085	270,415
	<u>1,425,209,759</u>	<u>1,848,875,609</u>
Financial liabilities at fair value through profit or loss – derivatives	<u>299,907</u>	<u>4,483</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

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.

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\$
Financial assets		
Forward exchange contracts	2,749,822	1,783,054
Financial liabilities		
Forward exchange contracts	(299,907)	(4,483)
Net amount	<u>2,449,915</u>	<u>1,778,571</u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

Capital Management

The capital of the Fund is represented by the net assets attributable to unitholders 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 unitholders.

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 unitholders 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 unitholders and the majority of the Fund's asset can be realised within 7 days or less to generate cash inflows for managing liquidity risk.

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

Investor	% of net assets
As at 31 December 2022	
Investor 1	21.53
Investor 2	11.68
As at 31 December 2021	
Investor 1	20.29
Investor 2	11.44

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation

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

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
As at 31 December 2022				
Financial assets at fair value through profit or loss				
Listed equity securities	1,271,026,639	–	–	1,271,026,639
Unlisted investment funds	–	94,403,558	–	94,403,558
Unlisted equity securities	–	–	–*	–
Forward exchange contracts	–	2,749,822	–	2,749,822
	<u>1,271,026,639</u>	<u>97,153,380</u>	<u>–</u>	<u>1,368,180,019</u>
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	–	(299,907)	–	(299,907)
	<u>–</u>	<u>(299,907)</u>	<u>–</u>	<u>(299,907)</u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

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\$
As at 31 December 2021				
Financial assets at fair value through profit or loss				
Listed equity securities	1,643,629,333	–	–	1,643,629,333
Unlisted investment funds	–	154,601,697	–	154,601,697
Unlisted equity securities	–	–	–*	–
Forward exchange contracts	–	1,783,054	–	1,783,054
	<u>1,643,629,333</u>	<u>156,384,751</u>	<u>–</u>	<u>1,800,014,084</u>
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	–	(4,483)	–	(4,483)

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

Financial instruments that are not traded in active markets 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, as they are traded infrequently.

* As at 31 December 2022, the fair value of one unlisted equity security at level 3 (2021: one unlisted equity security) was fully marked to zero.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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 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
As at 31 December 2022				
Unlisted equity security	–	Latest transacted price with discount applied	Discount rate	100%
As at 31 December 2021				
Unlisted equity security	–	Latest transacted price with discount applied	Discount rate	100%

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

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

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

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

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 as follows:

	Notional amount long/(short)	Fair value Assets US\$	Liabilities US\$
As at 31 December 2022			
Counterparty A:			
Forward exchange contracts	AUD161,564,687	2,252,510	-
Forward exchange contracts	CAD42,708,050	310,105	-
Forward exchange contracts	(GBP55,774)	379	-
Forward exchange contracts	NZD50,093,386	56,128	-
Forward exchange contracts	CNH229,591,005	53,675	-
Forward exchange contracts	SGD10,803,793	77,025	-
Forward exchange contracts	(AUD24,604)	-	(174)
Forward exchange contracts	(GBP28,781,812)	-	(295,241)
Forward exchange contracts	(NZD64,576)	-	(323)
Forward exchange contracts	(CNH1,332,915)	-	(764)
Forward exchange contracts	HKD17,961,019	-	(2,711)
Forward exchange contracts	(SGD162,419)	-	(694)
		<u>2,749,822</u>	<u>(299,907)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT (Continued)

(e) Financial derivative instruments (Continued)

	Notional amount long/(short)	Fair value Assets US\$	Liabilities US\$
As at 31 December 2021			
Counterparty A:			
Forward exchange contracts	AUD193,510,600	805,155	–
Forward exchange contracts	CAD49,671,412	289,038	–
Forward exchange contracts	GBP32,807,498	477,016	–
Forward exchange contracts	NZD47,577,442	22,667	–
Forward exchange contracts	CNH193,170,989	93,947	–
Forward exchange contracts	SGD15,367,155	94,905	–
Forward exchange contracts	HKD21,383,809	326	–
Forward exchange contracts	(AUD51,042)	–	(174)
Forward exchange contracts	(CAD342,812)	–	(3,609)
Forward exchange contracts	(NZD172,892)	–	(654)
Forward exchange contracts	(CNH130,731)	–	(46)
		<u>1,783,054</u>	<u>(4,483)</u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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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	% Ownership		Place of Incorporation	Dealing Frequency
		2022	2021		
Malabar India Fund Limited ^Δ	Malabar Investments, LLC [#]	10.24%	32.47%	Mauritius	Monthly*
Malabar Select Fund ^Δ	Malabar Investments, LLC	15.00%	17.88%	Mauritius	Monthly*

* 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.

Δ The investment funds are not authorized in Hong Kong and not available to the public in Hong Kong.

As at 31 December 2022, a fellow subsidiary of the Manager had a shareholding interest of 6.6% (2021: 6.6%) in Malabar Investments, LLC.

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 in a structured entity, the Fund ceases to be exposed to any risk from that structured entity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 INVESTMENTS IN UNCONSOLIDATED STRUCTURED ENTITIES (Continued)

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.

	Fair value US\$	% of net assets
As at 31 December 2022		
Malabar India Fund Ltd Class 1 Shrs	57,180,899	4.04
Malabar Select Fund Class 1 – Standard Class	37,222,659	2.64
	<u>94,403,558</u>	<u>6.68</u>
	Fair value US\$	% of net assets
As at 31 December 2021		
Malabar India Fund Ltd Class 1 Shrs	90,653,395	4.96
Malabar Select Fund Class 1 – Standard Class	63,948,302	3.50
	<u>154,601,697</u>	<u>8.46</u>

Total purchases and total sales in structured entities during the year ended 31 December 2022 were US\$11,446,409 (2021: US\$Nil) and US\$29,700,950 (2021: US\$17,441,881) respectively. As at 31 December 2022 and 2021 there were no capital commitment obligations or amounts due to structured entities for unsettled purchases.

During the year ended 31 December 2022, total net loss US\$41,943,598 (2021: gain of US\$81,240,326) was incurred on investments in investee funds.

There was no distribution received for the investee funds for the years ended 31 December 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**6 REDEEMABLE UNITS**

Units of the Fund are issued in different classes. Class Z units are offered primarily for institutional investors. Class X units are offered for professional investors. Class P Acc RMB and Class P MDis RMB are offered for subscription to investors in the People's Republic of China only. All units are subject to daily redemption. The management fees charged to each class of units are disclosed in note 7(a).

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.

All classes of units are redeemable at the option of the unitholders and do not have identical features. The units can be put back to the Fund for cash equal to a proportionate share of the Fund's net asset value.

The Manager may, in accordance with the Trust Deed, determine to make a distribution out of the income and/or capital (including unrealised capital gains or other unrealised profits during the relevant financial year and undistributed net income and undistributed net realised capital gains or profits brought forward from previous financial years) of the Fund to unitholders. Investors should note that the payment of dividends out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to the original investment. Such distributions may result in an immediate reduction of the net asset value per unit of the Fund.

The Manager may make distribution at its discretion for Class A1 units of the Fund. The Manager reviews the amount for dividend distribution once a year before determining whether dividends will be made. In respect of Class A2 MDis USD, Class A2 MDis HKD, Class A2 MDis AUD Hedged, Class A2 MDis CAD Hedged, Class A2 MDis GBP Hedged, Class A2 MDis NZD Hedged, Class A2 MDis RMB Hedged, Class A Acc HKD Hedged, Class A2 MDis RMB Unhedged, Class A2 MDis SGD Hedged, Class P MDis RMB and Class P MDis RMB Hedged (collectively referred to as "Distribution Classes"), the Manager currently intends to make monthly dividends distribution to unitholders. In respect of Class A Acc HKD Hedged, Class A Acc RMB Hedged, Class A Acc RMB Unhedged, Class P Acc RMB, Class P Acc RMB Hedged, Class X Acc USD Unhedged and Class Z (collectively referred to as "Accumulation Classes"), the Manager currently does not intend to make dividends distribution to unitholders. However, the Manager may consider not making distributions for the relevant class in any financial year, in its absolute discretion. Where distributions are made, the amount available for distribution in respect of each financial year will be determined and declared at such date(s) the Manager may, with the prior consent of the Trustee, determine.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 REDEEMABLE UNITS (Continued)

Number of units in issue

All issued units are fully paid and have no par value. Each unit carries one vote.

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

	2022	2021
Number of units		
Class A1 USD	6,472,905	7,116,124
Class A Acc HKD Hedged	2,277,297	2,215,346
Class A Acc RMB Hedged	1,896,900	1,940,014
Class A Acc RMB Unhedged	32,389	5
Class A2 MDis USD	37,008,618	36,753,617
Class A2 MDis HKD	222,117,510	197,220,104
Class A2 MDis AUD Hedged	21,769,703	19,826,053
Class A2 MDis CAD Hedged	5,471,118	4,773,107
Class A2 MDis GBP Hedged	3,935,055	3,416,864
Class A2 MDis NZD Hedged	6,423,620	4,663,486
Class A2 MDis RMB Hedged	25,625,607	15,093,201
Class A2 MDis RMB Unhedged	2,659,360	1,578,840
Class A2 MDis SGD Hedged	1,230,259	1,375,062
Class P MDis RMB	104,047	59,719
Class P MDis RMB Hedged	77,038	28,565
Class P Acc RMB	158,444	134,379
Class P Acc RMB Hedged	339,881	418,445
Class X Acc USD Unhedged	16,818	8,711
Class Z	155,956	1,066,573

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 REDEEMABLE UNITS (Continued)

Number of units in issue (Continued)

	2022	2021
Net asset value per unit		
Class A1 USD	USD89.87	USD110.80
Class A Acc HKD Hedged	HKD7.88	HKD9.78
Class A Acc RMB Hedged	RMB13.09	RMB16.19
Class A Acc RMB Unhedged	RMB15.45	RMB17.43
Class A2 MDis USD	USD9.14	USD11.92
Class A2 MDis HKD	HKD8.39	HKD10.93
Class A2 MDis AUD Hedged	AUD7.36	AUD9.83
Class A2 MDis CAD Hedged	CAD7.76	CAD10.22
Class A2 MDis GBP Hedged	GBP7.29	GBP9.67
Class A2 MDis NZD Hedged	NZD7.73	NZD10.23
Class A2 MDis RMB Hedged	RMB7.84	RMB10.39
Class A2 MDis RMB Unhedged	RMB8.61	RMB10.26
Class A2 MDis SGD Hedged	SGD8.59	SGD11.30
Class P MDis RMB	RMB9.4146	RMB11.3497
Class P MDis RMB Hedged	RMB9.5661	RMB12.8337
Class P Acc RMB	RMB10.8933	RMB12.3836
Class P Acc RMB Hedged	RMB11.1858	RMB13.9652
Class X Acc USD Unhedged	USD15.97	USD19.44
Class Z	USD14.54	USD17.83

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS

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

(a) Management fees

The Manager is entitled to receive a management fees which represents 1.25% per annum of that portion of the net asset value of the Fund attributable to Class A unit, Class A1 units, Class A2 units and Class P unit and 0.75% per annum of that portion of the net asset value of the Fund attributable to Class Z units. No management fees is charged on Class X units. The management fees is calculated and accrued daily and payable monthly in arrears.

(b) Performance fees

The Manager is entitled to receive a performance fees which represents 15% of the product of the average number of units in issue during the year and the amount by which the net asset value per unit as at 31 December of each year (the “performance fee valuation day”) before accrual of performance fees and including any dividend distribution declared or paid in respect of the relevant performance periods exceeds the higher of (i) the net asset value per unit of that class on the date of the initial issue of units and (ii) the highest value for the net asset value per unit as at the performance fee valuation day for any preceding year in which a performance fees was last calculated and paid (after payment of the performance fees and dividend distribution). The performance fees is calculated at the reporting date and payable yearly in arrears.

(c) Trustee and fund administration fees

Prior to 30 April 2021, the Trustee is entitled to receive a trustee and fund administration fees which represents a variable fee of (i) 0.17% per annum on the first US\$400 million of the net asset value of the Fund; (ii) 0.15% per annum on the next US\$400 million of the net asset value of the Fund; and (iii) 0.13% per annum thereafter, subject to a minimum of US\$4,000 per month. The variable fee is calculated and accrued daily and payable monthly in arrears. The Trustee is also entitled to a fixed fee of US\$3,000 per annum payable quarterly in arrears.

Effective from 30 April 2021, the Trustee is entitled to receive trustee and fund administration fees which represent a variable fee of (i) 0.135% per annum on the first US\$150 million of net asset value of the Fund; (ii) 0.13% per annum on the next US\$650 million of net asset value of the Fund; and (iii) 0.125% per annum of net asset value of the Fund thereafter, subject to a minimum of US\$4,500 per month. The variable fee is calculated and accrued daily and payable monthly in arrears.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

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

	As at 1 January	Issue units	Redemption of units	As at 31 December
Year 2022				
Class A1				
Director of the Manager	213,642	-	(71,563)	142,079
Spouse of a director of the Manager	16,264	-	-	16,264
Value Partners Limited*	-	89	(89)	-
Class A2 MDis HKD				
Director of the Manager	2,159,358	122,191	-	2,281,549
Value Partners Limited*	-	-	-	-
Class X Acc USD Unhedged				
Value Partners Limited*	8,711	11,648	(3,541)	16,818

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

(d) Manager's and its related parties' holding in the Fund and entitled to profit/(loss) from transactions in units (Continued)

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

	As at 1 January	Issue units	Redemption of units	As at 31 December
Year 2021				
Class A1				
Director of the Manager	213,642	-	-	213,642
Spouse of a director of the Manager	16,264	-	-	16,264
Class A2 MDis HKD				
Director of the Manager	2,082,836	76,522	-	2,159,358
Value Partners Limited*	11,491	377	(11,868)	-
Class A2 MDis AUD Hedged				
Value Partners Limited*	1,560	51	(1,611)	-
Class A2 MDis CAD Hedged				
Value Partners Limited*	1,451	46	(1,497)	-
Class A2 MDis NZD Hedged				
Value Partners Limited*	1,560	53	(1,613)	-
Class X Acc USD Unhedged				
Value Partners Limited*	2,054	7,640	(983)	8,711

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

Note During the year ended 31 December 2022, 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 10 for details.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

(e) Investment in funds managed by a related party of the Manager or its related party

During the years ended 31 December 2022 and 2021, the Fund invested in other investee funds, in which a fellow subsidiary of the Manager had a minority shareholding interest in the manager of the investee funds. Refer to note 5 for further details

In accordance with the Fund's Explanatory Memorandum, the managers of these funds have waived the management fees payable by the Fund by refunding the relevant fees to the Fund, which is included in the statement of comprehensive income as "other income". For the year ended 31 December 2022, there are no waived management fees (2021: US\$6,675).

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

During the years ended 31 December 2022 and 2021, the Fund did not transact with other funds which are also managed by the Manager and/or its associates.

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

In addition to trustee and fund administration fees of US\$1,986,601 (2021: US\$2,558,033), as disclosed in note 7(c), the Fund had the following additional transactions with the Trustee and its related parties. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

	2022	2021
	<i>US\$</i>	<i>US\$</i>
Interest income	236,788	10,958
Transaction costs ^(Note)	(75,503)	(94,217)
Safe custody and bank charges	(275,483)	(391,470)
Annual service fee	(6,511)	(3,761)
Interest expense	<u>(200,018)</u>	<u>(358,788)</u>

(Note) Included in transaction costs are 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:

	2022	2021
	<i>US\$</i>	<i>US\$</i>
The Hongkong and Shanghai Banking Corporation Limited		
Total commission paid	63,336	79,958
The total aggregate value of the purchases and sales	44,990,186	57,531,316
Average rate of commission	0.14%	0.14%
% of transactions to the total purchases and sales of the Fund	<u>1.49%</u>	<u>1.91%</u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

In addition to trustee and fund administration fees payable of US\$150,405 (2021: US\$197,286), as disclosed in note 7(c), the Fund had the following additional balances with the Trustee and its related parties.

	2022 US\$	2021 US\$
Financial assets at fair value through profit or loss	1,368,180,019	1,800,014,084
Bank balance	50,836,366	39,038,920
Interest income receivable	26,517	14
Financial liabilities at fair value through profit or loss	(299,907)	(4,483)
Transaction costs payable	(3,852)	(3,803)
Annual service fee payable	(973)	(250)
Interest expense payable	<u>(82,564)</u>	<u>(191)</u>

During the years ended 31 December 2022 and 2021, the Fund entered into forward exchange contracts with The Hongkong and Shanghai Banking Corporation Limited, a connected person of the Trustee, with realised loss amounting to US\$23,781,724 (2021: realised loss amounting to US\$7,880,960). As at 31 December 2022, the Fund held the outstanding forward exchange contracts as financial assets US\$2,749,822 (2021: US\$1,783,054) and financial liabilities US\$299,907 (2021: US\$4,483) respectively with The Hongkong and Shanghai Banking Corporation Limited.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 TAXATION

(a) Hong Kong

No provision for Hong Kong profits tax has been made as the dividend and interest income and realised gains on sales 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.

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

In preparing these financial statements, the Manager has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

Capital gains tax on A-shares in PRC

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

The Fund invests in A-Shares traded via Shanghai-Hong Kong Stock Connect/Shenzhen-Hong Kong Stock Connect is subjected to 10% WIT on dividend income derived from the shares. WIT was charged on dividend income received from the shares during the years ended 31 December 2022 and 2021.

Capital gains tax on H-shares in PRC

The Fund has investments in shares of companies in PRC listed on the Hong Kong Stock Exchange ("H-shares"). Under general taxing provisions of the Corporate Income Tax Law ("CIT Law"), a Fund could be technically subject to 10% withholding income tax ("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.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 TAXATION (Continued)

(c) Other jurisdictions

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

9 TRANSACTION COSTS

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

	2022 <i>US\$</i>	2021 <i>US\$</i>
Brokerage fee	2,073,494	4,240,202
Other transaction costs	1,879,102	3,597,001
Transaction handling fee	<u>12,167</u>	<u>14,259</u>
	<u><u>3,964,763</u></u>	<u><u>7,851,462</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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. The table below summarises the dividend distribution made during the reporting period. The distribution is included in the statement of comprehensive income and is made to the Distribution Classes only.

	2022 <i>US\$</i>	2021 <i>US\$</i>
Total comprehensive (loss)/income for the year	<u>(420,235,670)</u>	<u>23,725,232</u>
Distributions to Distribution Classes unitholders during the year	<u>49,919,560</u>	<u>38,861,387</u>

For the year ended 31 December 2022, the Fund did not transfer any (2021: US\$23,725,232) undistributed income to net assets attributable to unitholders for the year. The Fund has no undistributed net income at the beginning of the year and at the end of the year.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

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 A2 MDis USD	USD0.0458	USD0.0360	Monthly	Last business day of January to September
Class A2 MDis USD	USD0.0458	USD0.0458	Monthly	Last business day of October to December
Class A2 MDis HKD	HKD0.0419	HKD0.0329	Monthly	Last business day of January to September
Class A2 MDis HKD	HKD0.0419	HKD0.0419	Monthly	Last business day of October to December
Class A2 MDis AUD Hedged	AUD0.0378	AUD0.0298	Monthly	Last business day of January to September
Class A2 MDis AUD Hedged	AUD0.0378	AUD0.0378	Monthly	Last business day of October to December
Class A2 MDis CAD Hedged	CAD0.0386	CAD0.0302	Monthly	Last business day of January to September
Class A2 MDis CAD Hedged	CAD0.0386	CAD0.0386	Monthly	Last business day of October to December
Class A2 MDis GBP Hedged	GBP0.0361	GBP0.0282	Monthly	Last business day of January to September
Class A2 MDis GBP Hedged	GBP0.0361	GBP0.0361	Monthly	Last business day of October to December
Class A2 MDis NZD Hedged	NZD0.0406	NZD0.0322	Monthly	Last business day of January to September
Class A2 MDis NZD Hedged	NZD0.0406	NZD0.0406	Monthly	Last business day of October to December
Class A2 MDis RMB Hedged	RMB0.0587	RMB0.0386	Monthly	Last business day of January to June
Class A2 MDis RMB Hedged	RMB0.0587	RMB0.0502	Monthly	Last business day of July
Class A2 MDis RMB Hedged	RMB0.0392	RMB0.0502	Monthly	Last business day of August to September
Class A2 MDis RMB Hedged	RMB0.0392	RMB0.0587	Monthly	Last business day of October to December
Class A2 MDis RMB Unhedged	RMB0.0417	RMB0.0336	Monthly	Last business day of January to September
Class A2 MDis RMB Unhedged	RMB0.0417	RMB0.0417	Monthly	Last business day of October to December
Class A2 MDis SGD Hedged	SGD0.0427	SGD0.0335	Monthly	Last business day of January to September
Class A2 MDis SGD Hedged	SGD0.0427	SGD0.0427	Monthly	Last business day of October to December
Class P MDis RMB	RMB0.0483	RMB0.0394	Monthly	Last business day of January to September
Class P MDis RMB	RMB0.0483	RMB0.0483	Monthly	Last business day of October to December
Class P MDis RMB Hedged	RMB0.0743	RMB0.0496	Monthly	Last business day of January to June
Class P MDis RMB Hedged	RMB0.0743	RMB0.0639	Monthly	Last business day of July
Class P MDis RMB Hedged	RMB0.0481	RMB0.0639	Monthly	Last business day of August to September
Class P MDis RMB Hedged	RMB0.0481	RMB0.0743	Monthly	Last business day of October to 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 Fund (as may be permitted under applicable rules and regulations) from brokers and other persons through whom investment transactions are carried out (the “brokers”). Soft dollars may be received from them provided that the quality of transaction execution is consistent with best execution standards and brokerage rates are not in excess of the customary full-service brokerage rates.

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

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

For the year ended 31 December 2022, the Manager obtained research and advisory services; economic and political analysis; portfolio and market analysis, data and quotation services and software incidental to the above goods and services; and investment related publications through soft dollar arrangements on transactions amounting to US\$787,994,113 (2021: US\$1,160,523,748). Commission which amounted to US\$1,229,757 (2021: US\$1,853,442) is paid from the Fund on these transactions.

12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 26 April 2023.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed equity securities			
China			
Beijing New Building Materials PLC A Shares (SZHK)	2,134,464	7,939,737	0.56
Industrial Bank Co Ltd A Shares (SHHK)	10,856,277	27,447,310	1.94
Zhejiang Dahua Technology Co Ltd A Shares (SZHK)	10,631,395	17,282,473	1.22
		52,669,520	3.72
Hong Kong - H Shares			
China Construction Bank Corp H Shares	87,259,000	54,719,764	3.87
China Life Insurance Co Ltd H Shares	10,217,000	17,557,122	1.24
China Merchants Bank Co Ltd H Shares	10,373,000	58,064,909	4.10
China National Building Material Co Ltd H Shares	2,254,000	1,852,836	0.13
China Pacific Insurance (Group) Co Ltd H Shares	9,610,200	21,419,401	1.51
China Railway Construction Corp Ltd H Shares	38,452,000	23,028,250	1.63
China Railway Group Ltd H Shares	65,577,000	34,647,658	2.45
China Telecom Corp Ltd H Shares	263,850,000	103,877,287	7.34
Guangzhou Automobile Group Co Ltd H Shares	26,856,000	18,115,578	1.28
Jiangsu Expressway Co Ltd H Shares	13,222,000	12,089,596	0.86
Ping An Insurance (Group) Co of China Ltd H Shares	3,494,500	23,146,242	1.64
Qingdao Port International Co Ltd H Shares	25,940,000	12,574,389	0.89
Shandong Weigao Group Medical Polymer Co Ltd H Shares	800	1,315	0.00
Sinopharm Group Co Ltd H Shares	16,182,400	41,172,736	2.91
ZTE Corp H Shares	12,777,800	28,184,456	1.99
		450,451,539	31.84
Hong Kong - Red Chips			
Beijing Enterprises Water Group Ltd	11,392,000	2,921,831	0.21
China Everbright Environment Group Ltd	42,424,000	18,987,254	1.34
China Mobile Ltd	3,181,000	21,110,530	1.49
China Resources Land Ltd	4,172,000	19,126,939	1.35
China Resources Power Holdings Co Ltd	4,064,000	8,317,862	0.59

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
<i>Hong Kong - Red Chips (Continued)</i>			
China State Construction International Holdings Ltd	38,911,000	43,761,995	3.09
China Unicom (Hong Kong) Ltd	23,856,000	14,776,442	1.04
CNOOC Ltd	1,039,000	1,329,754	0.09
Far East Horizon Ltd	42,431,000	33,192,367	2.35
Guangdong Investment Ltd	27,462,000	28,138,702	1.99
Lenovo Group Ltd	3,292,000	2,706,095	0.19
Yuxiu Services Group Ltd	9,960,000	4,227,781	0.30
Yuxiu Transport Infrastructure Ltd	42,970,000	23,419,596	1.66
		222,017,148	15.69
<i>Hong Kong - Others</i>			
Alibaba Group Holding Ltd	1,116,200	12,345,999	0.87
AsiaInfo Technologies Ltd	14,109,200	24,896,939	1.76
China Yongda Automobiles Services Holdings Ltd	29,235,000	21,744,840	1.54
China Yuhua Education Corp Ltd	27,400,000	3,900,306	0.27
Chinasoft International Ltd	7,914,000	6,891,138	0.49
CK Infrastructure Holdings Ltd	583,500	3,056,737	0.22
CSI Properties Ltd	305,250,000	4,971,466	0.35
Far East Consortium International Ltd	45,383,478	10,883,398	0.77
Haitian International Holdings Ltd	2,734,000	7,327,738	0.52
HKBN Ltd	31,119,000	20,073,298	1.42
Johnson Electric Holdings Ltd	11,852,330	14,941,093	1.06
KWG Group Holdings Ltd	7,840,500	1,870,173	0.13
KWG Living Group Holdings Ltd	53,673,000	11,907,678	0.84
Longfor Group Holdings Ltd	3,184,500	9,923,678	0.70
PCCW Ltd	30,267,000	13,662,720	0.97
Tencent Holdings Ltd	171,600	7,350,026	0.52
TK Group (Holdings) Ltd	21,982,000	4,453,992	0.31
		180,201,219	12.74

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
India			
Hatsun Agro Product Ltd	175,507	1,939,756	0.14
Newgen Software Technologies Ltd	135,524	589,936	0.04
Vaibhav Global Ltd	131,743	494,987	0.03
		3,024,679	0.21
Indonesia			
Indosat Tbk PT	16,531,600	6,557,421	0.46
Telkom Indonesia Persero Tbk PT	18,791,700	4,526,667	0.32
		11,084,088	0.78
Malaysia			
CIMB Group Holdings Bhd	3,327,500	4,396,241	0.31
Philippines			
BDO Unibank Inc	2,132,020	4,048,770	0.29
Manila Water Co Inc	367,700	126,178	0.01
		4,174,948	0.30
Singapore			
DBS Group Holdings Ltd	254,100	6,426,867	0.46
Digital Core REIT Management Pte Ltd	14,789,900	8,134,445	0.57
United Overseas Bank Ltd	531,700	12,171,494	0.86
		26,732,806	1.89

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
South Korea			
Handsome Co Ltd	238,059	5,117,473	0.36
Hansol Chemical Co Ltd	52,475	7,735,708	0.55
HPSP Co Ltd	153,085	6,508,638	0.46
Hyundai Marine & Fire Insurance Co Ltd	467,337	10,937,528	0.77
KB Financial Group Inc	848,359	32,698,296	2.31
Kia Corp	27,126	1,278,333	0.09
Korea Investment Holdings Co Ltd	79,223	3,355,693	0.24
Samsung Electronics Co Ltd - Preference Shares	1,906,272	76,503,262	5.41
Samsung Engineering Co Ltd	1,202,874	21,269,332	1.50
SK Hynix Inc	137,026	8,167,101	0.58
Tokai Carbon Korea Co Ltd	114,246	8,588,866	0.61
		182,160,230	12.88
Taiwan			
Faraday Technology Corp	1,429,000	6,621,764	0.47
MediaTek Inc	1,311,000	26,644,608	1.88
Taiwan Semiconductor Manufacturing Co Ltd	5,480,000	79,922,607	5.65
Unimicron Technology Corp	1,064,000	4,151,925	0.29
Wistron NeWeb Corp	2,039,000	5,198,283	0.37
Zhen Ding Technology Holding Ltd	2,001,000	6,832,239	0.48
		129,371,426	9.14
United States			
Sea Ltd ADR	91,155	4,742,795	0.34

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2022

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Unlisted equity security			
<i>Hong Kong</i>			
Real Gold Mining Ltd*	4,283,500	-----	-----
Unlisted investment funds			
Malabar India Fund Limited Class 1 Shrs*	20,128	57,180,899	4.04
Malabar Select Fund Class 1 – Standard Class*	30,197	<u>37,222,659</u>	<u>2.64</u>
		94,403,558	6.68
Forward exchange contracts		<u>2,749,822</u>	<u>0.19</u>
Total financial assets at fair value through profit or loss		<u>1,368,180,019</u>	<u>96.71</u>
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
Forward exchange contracts		<u>(299,907)</u>	<u>(0.02)</u>
Total financial liabilities at fair value through profit or loss		<u>(299,907)</u>	<u>(0.02)</u>
Total investments, net		<u>1,367,880,112</u>	<u>96.69</u>
Total investments, at cost		<u>1,559,600,432</u>	

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

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

INVESTMENT PORTFOLIO MOVEMENTS (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2022

	% of net assets	
	2022	2021
Listed equity securities		
China	3.72	3.70
Hong Kong		
– H shares	31.84	25.19
– Red chips	15.69	17.42
– Others	12.74	16.16
India	0.21	–
Indonesia	0.78	1.29
Malaysia	0.31	–
Philippines	0.30	–
Singapore	1.89	2.08
South Korea	12.88	13.07
Taiwan	9.14	11.03
The United States of America	0.34	–
	<u>89.84</u>	<u>89.94</u>
Unlisted equity securities		
Hong Kong	–	–
Unlisted investment funds	6.68	8.46
Forward exchange contracts	<u>0.17</u>	<u>0.10</u>
Total investments, net	<u><u>96.69</u></u>	<u><u>98.50</u></u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

AS AT 31 DECEMBER 2022

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

Financial assets:

Forward exchange contracts

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
USD	107,690,541	AUD	161,499,151	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	2,251,803
USD	42,834	AUD	63,942	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	695
USD	822	AUD	1,220	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	9
USD	251	AUD	374	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	4
USD	31,245,796	CAD	42,704,629	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	310,086
USD	2,189	CAD	2,985	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	16
USD	320	CAD	436	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	2
USD	28,397,768	CNH	197,385,300	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	45,702
USD	3,753,816	CNH	26,091,769	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	6,041
USD	557,002	CNH	3,871,575	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	896
USD	185,024	CNH	1,288,560	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	659

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

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

AS AT 31 DECEMBER 2022

Financial assets (Continued):

Forward exchange contracts (Continued)

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
USD	30,787	CNH	215,045	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	201
USD	102,094	CNH	709,628	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	164
USD	1,199	CNH	8,344	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	3
USD	427	CNH	2,984	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	3
USD	248	CNH	1,726	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	1
USD	577	CNH	4,010	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	1
USD	202	CNH	1,407	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	1
USD	218	CNH	1,517	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	1
USD	506	CNH	3,514	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	1
USD	124	CNH	860	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	0
USD	374	CNH	2,596	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	0
USD	81	CNH	560	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	0

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

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

AS AT 31 DECEMBER 2022

Financial assets (Continued):

Forward exchange contracts (Continued)

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
USD	82	CNH	570	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	0
USD	67	CNH	470	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	0
USD	66	CNH	460	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	0
USD	7	CNH	50	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	0
USD	9	CNH	60	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	0
USD	7,429	GBP	6,175	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	23
USD	31,720,885	NZD	50,093,386	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	56,128
USD	7,982,693	SGD	10,803,793	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	77,026
GBP	61,949	USD	75,116	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	356
						<u>2,749,822</u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

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\$
USD	572	CNH	3,970	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(0)
USD	4,476	CNH	31,050	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(2)
USD	938	GBP	769	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(10)
USD	1,755	GBP	1,442	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(14)
USD	35,035,038	GBP	28,786,426	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(295,212)
USD	2,307,724	HKD	17,961,019	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(2,711)
USD	637	NZD	1,000	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(3)
CNH	567	USD	81	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(0)
CNH	99	USD	14	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(0)
CNH	10,799	USD	1,555	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(1)
CNH	4,925	USD	708	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(2)
CNH	7,042	USD	1,012	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(3)

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

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

AS AT 31 DECEMBER 2022

Financial liabilities (Continued) :

Forward exchange contracts (Continued)

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
GBP	6,826	USD	8,232	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(5)
CNH	15,553	USD	2,233	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(8)
CNH	15,602	USD	2,239	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(9)
CNH	20,958	USD	3,000	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(21)
AUD	5,337	USD	3,608	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(25)
NZD	5,286	USD	3,319	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(34)
CNH	110,607	USD	15,903	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(35)
AUD	19,267	USD	12,968	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(148)
NZD	60,290	USD	37,959	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(286)
CNH	1,181,782	USD	169,612	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(684)
SGD	162,419	USD	120,472	31 January 2023	The Hongkong and Shanghai Banking Corporation Limited	(694)
						<u>(299,907)</u>

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

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

	2022	2021
Lowest gross exposure	16.38%	14.43%
Highest gross exposure	60.36%	52.91%
Average gross exposure	26.78%	24.02%

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

	2022	2021
Lowest net exposure	-	-
Highest net exposure	-	-
Average net exposure	-	-

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

PERFORMANCE RECORD (UNAUDITED)

Net assets (at last traded price)

	2022	2021	2020
Net assets	US\$1,414,789,064	US\$1,827,486,595	US\$1,925,917,788
Net asset value per unit			
Class A1 USD	USD89.87	USD110.80	USD107.04
Class A Acc HKD Hedged	HKD7.88	HKD9.78	-
Class A Acc RMB Hedged	RMB13.09	RMB16.19	RMB15.43
Class A Acc RMB Unhedged	RMB15.45	RMB17.43	RMB17.05
Class A2 MDis USD	USD9.14	USD11.92	USD11.95
Class A2 MDis HKD	HKD8.39	HKD10.93	HKD10.91
Class A2 MDis AUD Hedged	AUD7.36	AUD9.83	AUD9.92
Class A2 MDis CAD Hedged	CAD7.76	CAD10.22	CAD10.29
Class A2 MDis GBP Hedged	GBP7.29	GBP9.67	GBP9.73
Class A2 MDis NZD Hedged	NZD7.73	NZD10.23	NZD10.32
Class A2 MDis RMB Hedged	RMB7.84	RMB10.39	RMB10.38
Class A2 MDis RMB Unhedged	RMB8.61	RMB10.26	RMB10.49
Class A2 MDis SGD Hedged	SGD8.59	SGD11.30	SGD11.32
Class P MDis RMB	RMB9.4146	RMB11.3497	RMB11.8607
Class P MDis RMB Hedged	RMB9.5661	RMB12.8337	RMB13.1000
Class P Acc RMB	RMB10.8933	RMB12.3836	RMB12.4117
Class P Acc RMB Hedged	RMB11.1858	RMB13.9652	RMB13.4544
Class X Acc USD Unhedged	USD15.97	USD19.44	USD18.46
Class Z	USD14.54	USD17.83	USD17.18

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

PERFORMANCE RECORD (UNAUDITED) (Continued)

Performance record for the past 10 years

	Highest issue price per unit									
	Class A1	Class	Class A	Class A	Class A2	Class A2	Class A2	Class A2	Class A2	Class A2
	ACC HKD	Acc RMB	Acc RMB	MDis	MDis	MDis AUD	MDis CAD	MDis GBP	MDis NZD	
	USD Hedged USD	HKD Hedged HKD	RMB Hedged RMB	RMB Unhedged RMB	USD USD	HKD HKD	AUD Hedged AUD	CAD Hedged CAD	GBP Hedged GBP	NZD Hedged NZD
2022	115.20	10.20	16.87	18.18	12.35	11.33	10.17	10.58	10.01	10.58
2021	119.17	10.27	17.29	18.98	13.19	12.06	10.93	11.35	10.73	11.38
2020	107.04	-	15.43	17.05	11.95	10.91	9.92	10.29	9.73	10.32
2019	95.04	-	13.67	15.81	11.61	10.73	9.93	10.12	9.58	10.26
2018	102.44	-	14.65	16.03	13.38	12.32	11.62	11.79	11.18	11.97
2017	95.32	-	13.62	15.31	12.45	11.47	10.85	11.00	10.44	11.19
2016	76.72	-	10.59	12.57	10.82	9.88	9.63	9.71	9.15	9.75
2015	86.86	-	11.77	13.31	13.23	12.10	12.12	12.14	11.55	12.17
2014	76.85	-	9.99	10.09	12.10	11.10	11.07	11.09	-	11.11
2013	69.50	-	-	-	11.46	10.34	10.36	10.35	-	10.37

	Highest issue price per unit									
	Class A2	Class A2	Class A2	Class P	Class P	Class P	Class P	Class X		Class P
	MDis	MDis	MDis	MDis	MDis	Acc	Acc	Acc USD		Acc USD
	RMB Hedged RMB	RMB Unhedged RMB	SGD Hedged SGD	RMB RMB	RMB Hedged RMB	RMB RMB	RMB Hedged RMB	USD Unhedged USD	USD	USD
2022	10.77	10.63	11.69	13.2831	11.7556	12.8825	14.5370	20.38	18.55	10.00
2021	11.51	11.51	12.51	12.9791	14.4051	13.6800	14.9425	21.00	19.15	-
2020	10.38	10.49	11.32	11.8607	13.1000	12.4117	13.4544	18.46	17.18	-
2019	10.20	10.45	11.11	-	-	-	-	15.70	15.28	-
2018	11.92	11.39	12.97	-	-	-	-	16.88	16.32	-
2017	11.09	10.98	12.07	-	-	-	-	15.50	15.19	-
2016	7.69	9.65	-	-	-	-	-	12.73	12.21	-
2015	11.34	11.12	-	-	-	-	-	-	13.70	-
2014	9.95	10.09	-	-	-	-	-	-	12.14	-
2013	-	-	-	-	-	-	-	-	10.87	-

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong Unit Trust)

PERFORMANCE RECORD (UNAUDITED) (Continued)

Performance record for the past 10 years (Continued)

	Lowest redemption price per unit									
	Class A1	Class	Class A	Class A	Class A2	Class A2	Class A2	Class A2	Class A2	Class A2
	ACC HKD	Acc RMB	Acc RMB	MDis	MDis	MDis AUD	MDis CAD	MDis GBP	MDis NZD	
	USD Hedged USD	Hedged HKD	Hedged RMB	Unhedged RMB	USD	HKD	Hedged AUD	Hedged CAD	Hedged GBP	Hedged NZD
2022	74.37	6.52	10.91	13.46	7.64	7.06	6.19	6.50	6.13	6.49
2021	107.31	9.54	15.48	16.93	11.72	10.74	9.66	10.04	9.50	10.05
2020	66.66	-	9.57	11.50	7.74	7.07	6.46	6.67	6.28	6.71
2019	79.48	-	11.46	13.45	9.71	8.98	8.26	8.44	7.99	8.56
2018	75.99	-	10.95	13.02	9.56	8.84	8.23	8.37	7.91	8.51
2017	72.07	-	10.06	12.21	9.97	9.08	8.80	8.87	8.31	8.99
2016	61.39	-	8.42	9.90	8.97	8.21	8.09	8.12	7.67	8.23
2015	67.27	-	9.05	10.77	10.12	9.22	9.21	9.23	8.69	9.32
2014	63.83	-	9.28	9.19	10.30	9.43	9.43	9.43	-	9.45
2013	60.58	-	-	-	9.99	9.85	9.84	9.85	-	9.77

	Lowest redemption price per unit									
	Class A2	Class A2	Class A2	Class P	Class P	Class P	Class X			
	MDis	MDis	MDis	MDis	MDis	Acc	Acc			
	RMB Hedged RMB	RMB Unhedged RMB	SGD Hedged SGD	RMB RMB	RMB Hedged RMB	RMB RMB	RMB Unhedged RMB	USD USD	USD	USD
2022	6.60	7.57	7.20	8.2967	8.0628	9.5036	9.3358	13.19	12.03	10.00
2021	10.22	10.12	11.10	11.1653	12.6308	12.1307	13.4863	18.52	17.22	-
2020	6.72	7.36	7.35	9.8516	9.8079	9.8534	9.7991	11.14	10.78	-
2019	8.47	9.12	9.27	-	-	-	-	13.09	12.77	-
2018	8.49	8.95	9.15	-	-	-	-	12.49	12.20	-
2017	8.60	9.13	10.00	-	-	-	-	11.15	11.52	-
2016	7.69	7.84	-	-	-	-	-	9.39	9.78	-
2015	8.55	8.74	-	-	-	-	-	-	10.70	-
2014	9.24	9.19	-	-	-	-	-	-	9.99	-
2013	-	-	-	-	-	-	-	-	9.42	-