

CHINESE MAINLAND FOCUS FUND

A Sub-fund of Value Partners Intelligent Funds

2023 **ANNUAL REPORT**

For the year ended
31 December 2023



Value Partners Limited

43rd Floor, The Center

99 Queen's Road Central, Hong Kong

Tel: (852) 2880 9263 Fax: (852) 2565 7975

Email: vpl@vp.com.hk

Website: www.valuepartners-group.com



CHINESE MAINLAND FOCUS FUND

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

CONTENTS

	<i>Page(s)</i>
General information	2-4
Manager's report	5-9
Statement of responsibilities of the Manager and the Trustee	10
Trustee's report to the unitholders	11
Independent auditors' report to the unitholders	12-15
Audited financial statements	
– Statement of financial position	16-17
– Statement of comprehensive income	18
– Statement of changes in net assets attributable to unitholders	19-21
– Statement of cash flows	22
– Notes to the financial statements	23-64
Investment portfolio (unaudited)	65-69
Statement of movements in portfolio holdings (unaudited)	70
Performance record (unaudited)	71-73
Information on exposure arising from financial derivative instruments (unaudited)	74

CHINESE MAINLAND FOCUS FUND

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

GENERAL INFORMATION

Manager

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

Directors of the Manager

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

Trustee, Registrar and Administrator

HSBC Trustee (Cayman) Limited

Principal address:

Strathvale House
Ground Floor, 90 North Church Street
George Town
Grand Cayman
Cayman Islands

Registered address:

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

Custodian and Registrar's Agent

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

PRC Custodian

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

Legal Advisors

With respect to Cayman Islands law
Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

With respect to Hong Kong law

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

Auditor

KPMG LLP
P.O. Box 493
SIX Cricket Square
Grand Cayman KY1-1106
Cayman Islands

Information available from:

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

Investor hotline: (852) 2143 0688

Fax : (852) 2565 7975

Email : fis@vp.com.hk

Website : www.valuepartners-group.com

CHINESE MAINLAND FOCUS FUND

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

GENERAL INFORMATION (Continued)

Recent awards and achievements

Fund awards	
2020	<ul style="list-style-type: none">2020 HKCAMA-Bloomberg Offshore China Fund Awards Best Total Return – Greater China Equity (5-year) 2nd Runner-up – HKCAMA & Bloomberg
2018	<ul style="list-style-type: none">Lipper Fund Awards Hong Kong 2018 Best China Equity Fund - 10 Years – Thomson Reuters

CHINESE MAINLAND FOCUS FUND

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

GENERAL INFORMATION (Continued)

Recent awards and achievements

Corporate awards	
2023	<ul style="list-style-type: none">• The Lifetime Achievement Award Winner: Dato' Seri Cheah Cheng Hye – <i>Asia Asset Management</i>• ESG Leading Enterprise Awards of the Year 2022/2023 Outstanding performance in Environmental, Social, and Governance (“ESG”) initiatives – <i>Master-Insight</i>• Best Exchange Traded Fund (ETF) Issuer 2022 Winner: Value Partners Malaysia – <i>Bursa Malaysia Award</i>• Most Promising Overseas Investment Institution award – <i>Insurance Asset Management Association of China</i>• ESG Elite Award (Distinction) ESG Achievement Awards 2022/2023 Winner: Frank Tsui – <i>Institute of ESG & Benchmark and supported by Hang Seng Indexes Company Limited</i>
2022	<ul style="list-style-type: none">• Asian Private Banker Asset Management Awards for Excellence 2022 Best Fund Provider - Multi-Asset Solution – <i>Asian Private Banker</i>• 2022 China Rankings Top 25 Foreign Firms in China Value Partners is ranked in the 16th – <i>Z-Ben Advisor</i>• AsianInvestor Asset Management Awards 2022 Asset Class Awards: Asia ex-Japan equity – <i>Asianinvestor</i>
2021	<ul style="list-style-type: none">• Asian Private Banker Asset Management Awards for Excellence 2021 Best Fund Provider - High Yield Bond – <i>Asian Private Banker</i>• Listed Company Awards of Excellence 2021 Value Partners Group Limited: Outstanding Listed Company – <i>Hong Kong Economic Journal</i>

MANAGER'S REPORT

The China equities market was volatile in 2023. While investors turned optimistic toward the market following the country's reopening in late 2022, the nation's post-Covid recovery lost momentum in the succeeding months.

For the full year 2023, the Fund recorded losses of 12.5%*, while the MSCI China Index was down 11.2%. Since its inception, the Fund and the index were up 427.7% and 320.3%, respectively.

China's economic data was mixed during the period. On the one hand, CPI figures remained sluggish towards the end of the year, while the manufacturing PMI was disappointing in December, suggesting that demand continues to be weak. Additionally, the muted demand in the property market persisted. On the other hand, retail sales growth continued its upward momentum since the middle of the year, while exports have rebounded YoY in November, albeit both have somewhat benefited from a low base effect.

On the policy front, policymakers highlighted their plans to boost economic growth momentum and facilitate better policy coordination during the Politburo and Central Economic Working Conference held in December. In a rare message, policymakers highlighted the need to seek progress while maintaining stability by "establishing first before breaking the old" (先立后破), suggesting that China has to put new and supportive policies in place first before suppressing current ones to better manage the economic transition process.

Separately, more concrete measures were unveiled to help support economic recovery. For example, Beijing and Shanghai relaxed property policies in December, including cuts to down payment ratios, to boost demand in the ailing property market. In addition, policy banks received RMB 350 billion in loans from the central bank's pledged supplementary lending (PSL) facility at the end of the year, indicating a strong pickup in the infrastructure and affordable housing construction ahead.¹

Outside of China, market conditions improved further, driven by the US Fed's latest dot plot that suggests a close end to the central bank's interest rate hikes and the possibility of three rate cuts in 2024. Consequently, the 10-year US treasury yield declined, weakening the US dollar and supporting the equities market.

Portfolio strategy review

During the period, losses were recorded across most sectors due to the drag in the economy. Our exposure to financials, including some insurance companies, was among the key detractor to the Fund's performance due to expectations of rate cuts in China, which may impact their investment returns, affecting investor sentiment. Our holdings of consumer-related companies also dragged, given ongoing concerns over the soft demand in the country. In particular, our holding of an e-commerce player was down following its announcement of a weak set of guidance for the next few quarters, as it plans to allocate more resources to defend its market share, which would impact its margins.

* Fund performance mentioned is referred to Chinese Mainland Focus Fund Class A unit

CHINESE MAINLAND FOCUS FUND

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

MANAGER'S REPORT (Continued)

Portfolio strategy review (Continued)

On the other hand, several of our holdings of technology companies were among the top contributors to the Fund's performance, as they continue to benefit from the improving outlook in the sector, particularly the positive momentum of artificial intelligence and other emerging technologies and the country's "technology self-sufficiency" theme. An e-commerce player was also a top contributor despite the drag in the economy, as it continued to gain market share in the domestic market and has rapidly expanded its overseas business.

Outlook

Volatility is expected to persist in the China equities market, given the country's still shaky property market and policy uncertainty that may impact investor confidence. We would closely track the upcoming third plenum, which will likely be held in the coming quarter, as it may focus on structural economic reforms and to see whether there would be any additional policy support.

Although we expect the Chinese economy to follow a U-shape recovery due to the significant and persistent drag in the property market, we view that the combination of supportive policies, undemanding valuations, low investor positioning, and more favorable external conditions should help cushion any further significant downside in the market.

We will continue to be agile and diligent in our investment approach as the choppy market conditions will likely remain elevated. We believe that our long-held approach of investing in high-quality companies that can ride through uncertainties remains a long-term winning formula.

We continue to focus on leading companies with strong competitive moats and sound prospects, especially those well-positioned to tap the growth potential arising from rising consumption, internet business development, technology advancement, and the growing demand for wealth management solutions.

Value Partners Limited

26 April 2024

1. *People's Bank of China, 02 January 2024*

MANAGER'S REPORT (Continued)

Top 5 securities holdings as at 31 December 2023

Stock	Industry	Valuation (2024 Estimates)	Remarks
Pinduoduo (Code: PDD US) Market cap: US\$194.4 billion	Retailing	Price: US\$146.31 P/E: 20.5x P/B: 8.0x Yield: 0.0%	Pinduoduo operates an e-commerce platform that offers value-for-money merchandise and interactive shopping options. The platform sells a suite of product categories, from apparel and shoes to fresh produce and electronic appliances. The company has continued to gain market share in the domestic market and has rapidly expanded its overseas business.
Tencent Holdings (Code: 700 HK) Market cap: US\$357.5 billion	Media and entertainment	Price: HK\$293.6 P/E: 14.0x P/B: 2.5x Yield: 0.9%	Tencent is a leading provider of online games, premium messaging services, internet value-added services, and advertising and e-commerce services in China. By leveraging its large active user base, it offers good long-term monetization potential. Tencent's largest online user platform allows it to monetize other services, such as payment and performance ads, while its strength in mobile and PC gaming offers long-term growth opportunities.
Luxshare Precision Industry (Code: 002475 CH) Market cap: US\$34.7 billion	Technology, hardware and equipment	Price: CNY 34.45 P/E: 15.7x P/B: 3.1x Yield: 0.7%	Luxshare Precision is a key original equipment manufacturer (OEM) for Apple's products, including its connectors, magnetic chargers for the Apple Watch, and the AirPods. The company is expected to grow with new components share gain and ride on the continued increasing demand for various Apple products.

CHINESE MAINLAND FOCUS FUND

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

MANAGER’S REPORT (Continued)

Top 5 securities holdings as at 31 December 2023 (Continued)

Stock	Industry	Valuation (2024 Estimates)	Remarks
Maxscend Microelectronics (Code: 300782 CH) Market cap: US\$10.6 billion	Technology hardware and equipment	Price: CNY141.0 P/E: 37.9x P/B: 5.8x Yield: 0.5%	Maxscend Microelectronics is a fabless integrated circuit (IC) designer, with its products mainly used in smartphones and other consumer electronic devices. The company continues to be supported by the prospect of China’s “technology self-sufficiency” theme, as well as the increasing investments toward artificial intelligence.
TAL Education Group (Code: TAL US) Market cap: US\$8.1 billion	Consumer services	Price: US\$12.63 P/E: N/A P/B: 1.9x Yield: 0.0%	TAL Education is a leading after-school tutoring provider in China. It offers courses through offline learning courses, as well as online platforms, providing various courses using either a pure online format or a blend of online and offline. The company is expanding into new business areas, including non-academic tutoring and overseas markets.

Note: The above investments made up 38.8% of Value Partners Chinese Mainland Focus Fund as of 31 December 2023. The stock prices are based on the closing of 31 December 2023.

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

CHINESE MAINLAND FOCUS FUND

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

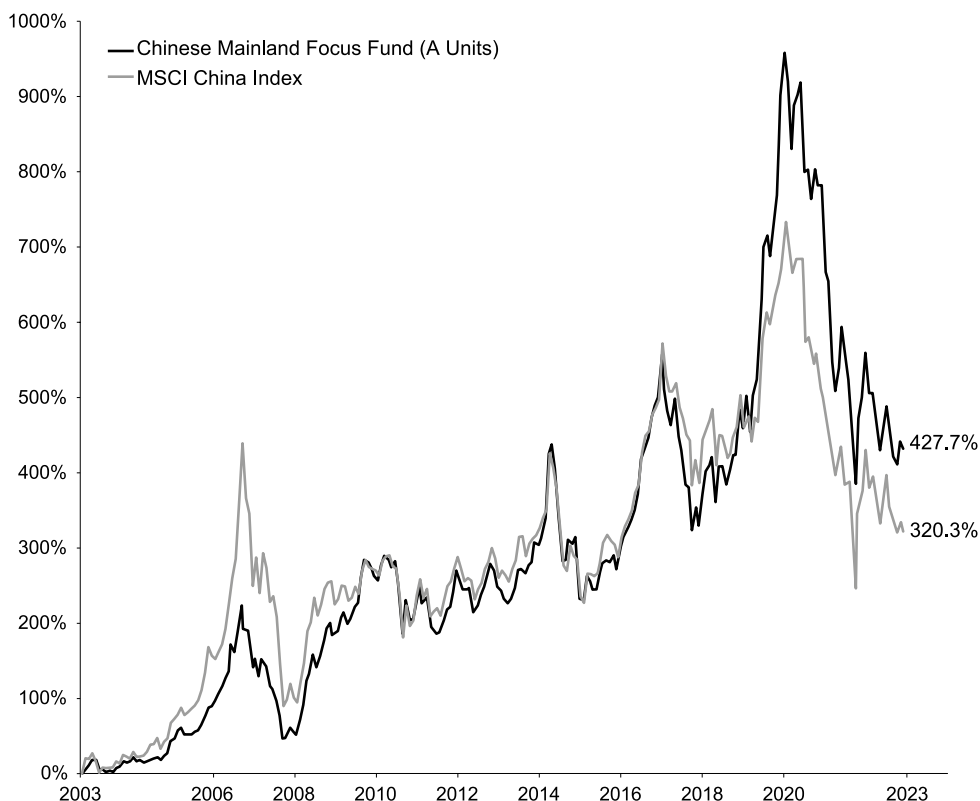
MANAGER'S REPORT (Continued)

Chinese Mainland Focus Fund - NAV as at 31 December 2023

Classes	NAV per unit
Class A	USD52.77
Class A HKD	HKD5.17
Class A AUD Hedged	AUD4.81
Class A RMB Hedged	RMB6.94
Class X	USD5.87

Since launch return

From 27 November 2003 to 31 December 2023



Fund performance mentioned is referred to Chinese Mainland Focus Fund Class A unit. All performance and index figures are sourced from HSBC Institutional Trust Services (Asia) Limited, Bloomberg and Morningstar (Data computed in HK\$ terms on NAV-to-NAV basis with dividends reinvested) as at 31 December 2023. Performance data is net of all fees. All indices are for reference only.

CHINESE MAINLAND FOCUS FUND

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

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

Manager's responsibilities

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

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

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

Trustee's responsibilities

The Trustee of the Sub-fund is required to:

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

CHINESE MAINLAND FOCUS FUND

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

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

We hereby confirm that, in our opinion, the Manager has in all material respects, managed the Chinese Mainland Focus Fund (the "Sub-fund") in accordance with the provisions of the Trust Deed dated 21 June 2000 and supplemental Trust Deeds dated 22 October 2001, 3 November 2003, 10 November 2003 and 10 December 2004 and the Deed of Substitution dated 31 May 2005 and supplemental Trust Deed to the Deed of Substitution dated 30 March 2007, 24 June 2011 and 25 June 2013 and the Deed of Retirement and Appointment of Trustee and Variation dated 28 August 2018 of the Sub-fund for the year ended 31 December 2023.

For and on behalf of
HSBC Trustee (Cayman) Limited

Trustee
26 April 2024

CHINESE MAINLAND FOCUS FUND

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

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

(A Cayman Islands Unit Trust)

Report on the audit of financial statements

Opinion

We have audited the financial statements of Chinese Mainland Focus Fund (the "Sub-fund"), a sub-fund of Value Partners Intelligent Funds, set out on pages 16 to 64, which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-fund as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards IFRS Accounting Standards in accordance with International Accounting Standards Board ("IFRS Accounting Standards").

Basis for opinion

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

Other matter

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

Information other than the financial statements and auditors' report thereon

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

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

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF VALUE PARTNERS INTELLIGENT FUNDS –
CHINESE MAINLAND FOCUS FUND (THE "SUB-FUND") (Continued)***(A Cayman Islands Unit Trust)***Report on the audit of financial statements (Continued)*****Information other than the financial statements and auditors' report thereon
(Continued)***

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

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

Responsibilities of the manager and the trustee of the sub-fund for the financial statements

The Manager and the Trustee of the Sub-fund are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and for such internal control as the Manager and the Trustee of the Sub-fund determine is necessary to enable the preparation of financial statements that are free from material statement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Trustee of the Sub-fund are responsible for assessing the Sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Trustee of the Sub-fund either intend to liquidate the Sub-fund or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with our terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

CHINESE MAINLAND FOCUS FUND

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

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

(A Cayman Islands Unit Trust)

Report on the audit of financial statements (Continued)

Auditors' responsibilities for the audit of the financial statements (Continued)

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-fund have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed, as amended, and the relevant disclosure provisions of Appendix E of the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Sub-fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee of the Sub-fund.
- Conclude on the appropriateness of the Manager's and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Sub-fund to cease to continue as a going concern.

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

(A Cayman Islands Unit Trust)

Report on the audit of financial statements (Continued)

Auditors' responsibilities for the audit of the financial statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager and the Trustee of the Sub-fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on matters under the relevant provisions of the Trust Deed, as amended, and the relevant disclosure provisions of Appendix E of the SFC Code

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

KPMG LLP

Cayman Islands
26 April 2024

CHINESE MAINLAND FOCUS FUND

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note(s)	2023 US\$	2022 US\$
Assets			
Current assets			
Financial assets at fair value through profit or loss	6,10(d),12	121,210,161	156,971,035
Interest, dividend and other receivables		21,897	161
Amounts due from unitholders		127,246	99,038
Amounts due from brokers	5	1,069,672	–
Cash and cash equivalents	4,10(d)	3,502,491	708,300
Total assets		<u>125,931,467</u>	<u>157,778,534</u>
Liabilities			
Current liabilities			
Financial liabilities at fair value through profit or loss	6,12	1	41
Bank overdraft	4,10(d)	193,146	3,596,620
Amounts due to unitholders		189,721	360,350
Amounts due to brokers	5	1,069,672	–
Management fees payable	10(a)	130,695	157,303
Trustee and fund administration fees payable	10(c)	14,129	22,267
Accrued expenses and other payables		<u>152,382</u>	<u>271,114</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>1,749,746</u>	<u>4,407,695</u>
Represented by:			
Net assets attributable to unitholders	11	<u>124,181,721</u>	<u>153,370,839</u>

CHINESE MAINLAND FOCUS FUND

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

STATEMENT OF FINANCIAL POSITION (Continued)

AS AT 31 DECEMBER 2023

	Note(s)	2023 US\$	2022 US\$
Total number of units in issue:			
-Class A	10(e), 11	2,341,837	2,527,110
-Class A HKD	11	518,374	479,689
-Class A AUD Hedged	11	40,550	88,649
-Class A CAD Hedged	11	-	1,248
-Class A RMB Hedged	11	6,320	6,320
-Class A GBP Hedged	11	-	706
-Class A NZD Hedged	11	-	1,342
-Class X	11	<u>21,029</u>	<u>31,326</u>
Net asset value per unit:			
-Class A	11	USD 52.77	USD 60.32
-Class A HKD	11	HKD 5.17	HKD 5.90
-Class A AUD Hedged	11	AUD 4.81	AUD 5.65
-Class A CAD Hedged	11	CAD -	CAD 5.76
-Class A RMB Hedged	11	RMB 6.94	RMB 8.19
-Class A GBP Hedged	11	GBP -	GBP 5.72
-Class A NZD Hedged	11	NZD -	NZD 5.72
-Class X	11	<u>USD 5.87</u>	<u>USD 6.62</u>

Approved and authorised for issue by the Manager and the Trustee on 26 April 2024.

Signed by:

Value Partners Limited, Manager

HSBC Trustee (Cayman) Limited, Trustee

The notes on pages 23 to 64 form part of these financial statements.

CHINESE MAINLAND FOCUS FUND

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	2023 US\$	2022 US\$
Income			
Interest income	10(d)	33,051	49,630
Dividend income		1,510,512	1,195,371
Net losses from financial assets and financial liabilities at fair value through profit or loss	7	(16,851,494)	(69,059,502)
Net foreign exchange losses		(309,608)	(759,294)
Other income		—	9,016
Net investment loss		<u>(15,617,539)</u>	<u>(68,564,779)</u>
Expenses			
Management fees	10(a)	(1,771,464)	(2,052,369)
Transaction costs	10(d), 13, 14	(747,907)	(1,112,786)
Trustee and fund administration fees	8, 10(c)	(186,101)	(226,500)
Professional fees	10(d)	(59,392)	(12,570)
Auditors' remuneration		(37,279)	(39,087)
Interest expenses	10(d)	(359,567)	(174,273)
Bank charges	10(d)	(27,262)	(38,251)
Annual fees		(3,030)	(4,041)
Other operating expenses		<u>(53,260)</u>	<u>(76,821)</u>
Operating expenses		<u>(3,245,262)</u>	<u>(3,736,698)</u>
Loss before taxation		(18,862,801)	(72,301,477)
Taxation	9	<u>(114,868)</u>	<u>(76,087)</u>
Net loss and total comprehensive income for the year		<u>(18,977,669)</u>	<u>(72,377,564)</u>

The notes on pages 23 to 64 form part of these financial statements.

CHINESE MAINLAND FOCUS FUND

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 <i>US\$</i>	2022 <i>US\$</i>
Balance as at beginning of the year	153,370,839	238,942,577
Net loss and total comprehensive income for the year	(18,977,669)	(72,377,564)
Issue of redeemable units		
-Class A	8,383,723	16,107,105
-Class A HKD	190,245	164,616
-Class A AUD Hedged	6,327	240,963
-Class A RMB Hedged	-	9,981
-Class X	44,720	45,219
	8,625,015	16,567,884
Redemption of redeemable units		
-Class A	(18,348,978)	(29,198,069)
-Class A HKD	(158,102)	(116,789)
-Class A AUD Hedged	(203,852)	(4,663)
-Class A CAD Hedged	(4,499)	-
-Class A GBP Hedged	(4,187)	-
-Class A NZD Hedged	(3,846)	-
-Class X	(113,000)	(436,457)
-Class Z	-	(6,080)
	(18,836,464)	(29,762,058)
Net decrease from unit transactions	(10,211,449)	(13,194,174)
Balance as at end of the year	124,181,721	153,370,839

CHINESE MAINLAND FOCUS FUND

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

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

FOR THE YEAR ENDED 31 DECEMBER 2023

	Number of units	
	2023	2022
Class A		
As at beginning of the year	2,527,110	2,695,574
Issue of redeemable units	144,675	243,988
Redemption of redeemable units	(329,948)	(412,452)
As at end of the year	<u>2,341,837</u>	<u>2,527,110</u>
Class A HKD		
As at beginning of the year	479,689	426,927
Issue of redeemable units	250,348	202,002
Redemption of redeemable units	(211,663)	(149,240)
As at end of the year	<u>518,374</u>	<u>479,689</u>
Class A AUD Hedged		
As at beginning of the year	88,649	35,501
Issue of redeemable units	2,105	54,399
Redemption of redeemable units	(50,204)	(1,251)
As at end of the year	<u>40,550</u>	<u>88,649</u>
Class A CAD Hedged		
As at beginning of the year	1,248	1,248
Issue of redeemable units	-	-
Redemption of redeemable units	(1,248)	-
As at end of the year	<u>-</u>	<u>1,248</u>
Class A RMB Hedged		
As at beginning of the year	6,320	-
Issue of redeemable units	-	6,320
Redemption of redeemable units	-	-
As at end of the year	<u>6,320</u>	<u>6,320</u>

CHINESE MAINLAND FOCUS FUND

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

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

FOR THE YEAR ENDED 31 DECEMBER 2023

	Number of units	
	2023	2022
Class A GBP Hedged		
As at beginning of the year	706	706
Issue of redeemable units	-	-
Redemption of redeemable units	(706)	-
As at end of the year	<u>-</u>	<u>706</u>
Class A NZD Hedged		
As at beginning of the year	1,342	1,342
Issue of redeemable units	-	-
Redemption of redeemable units	(1,342)	-
As at end of the year	<u>-</u>	<u>1,342</u>
Class X		
As at beginning of the year	31,326	85,658
Issue of redeemable units	6,891	6,516
Redemption of redeemable units	(17,188)	(60,848)
As at end of the year	<u>21,029</u>	<u>31,326</u>
Class Z		
As at beginning of the year	-	1,000
Issue of redeemable units	-	-
Redemption of redeemable units	-	(1,000)
As at end of the year	<u>-</u>	<u>-</u>

The notes on pages 23 to 64 form part of these financial statements.

CHINESE MAINLAND FOCUS FUND

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 US\$	2022 US\$
Operating activities			
Interest received		31,849	49,501
Interest paid		(375,278)	(151,646)
Dividends received (net of withholding tax)		1,375,162	1,119,284
Other income received		–	9,016
Proceeds from sale of investments		225,660,119	311,044,174
Payments on purchase of investments		(206,750,779)	(298,793,817)
Operating expenses paid		<u>(3,333,122)</u>	<u>(4,216,685)</u>
Net cash generated from operating activities		<u>16,607,951</u>	<u>9,059,827</u>
Financing activities			
Proceeds from issuance of redeemable units		8,596,807	16,684,544
Payments on redemption of redeemable units		<u>(19,007,093)</u>	<u>(29,675,005)</u>
Net cash used in financing activities		<u>(10,410,286)</u>	<u>(12,990,461)</u>
Net increase/(decrease) in cash and cash equivalents		6,197,665	(3,930,634)
Cash and cash equivalents (net of bank overdraft) as at beginning of the year		<u>(2,888,320)</u>	<u>1,042,314</u>
Cash and cash equivalents (net of bank overdraft) as at end of the year	4	<u><u>3,309,345</u></u>	<u><u>(2,888,320)</u></u>

The notes on pages 23 to 64 form part of these financial statements.

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

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

The Trust issues redeemable units in various sub-funds and as at 31 December 2023, the Sub-funds include the China Convergence Fund, JA-VP China New Century Fund, Chinese Mainland Focus Fund. The China Convergence Fund, JA-VP China New Century Fund and Chinese Mainland Focus Fund commenced operations on 17 July 2000, 7 March 2002 and 27 November 2003 respectively. Chinese Mainland Focus Fund and China Convergence Fund are authorised in Hong Kong and available to the general public in Hong Kong. The JA VP China New Century Fund is not authorised in Hong Kong and not available to the general public in Hong Kong.

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

As at 31 December 2023 and 2022, the combined net assets of the Trust are as follows:

Name of sub-funds	Combined net assets	
	2023 US\$	2022 US\$
China Convergence Fund	97,865,466	120,418,293
Chinese Mainland Focus Fund	124,181,721	153,370,839
JA-VP China New Century Fund	4,701,076	5,898,425
	<hr/>	<hr/>
Value Partners Intelligent Funds	<u>226,748,263</u>	<u>279,687,557</u>

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

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

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRSs"), the relevant disclosure provisions of the Trust Deed, and the relevant disclosure requirements of the Hong Kong Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the SFC. The material accounting policies adopted by the Sub-fund are set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Sub-fund. Note 2(d) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Sub-fund for the current accounting period reflected in these financial statements.

(b) Basis of preparation

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

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

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

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of financial position, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of financial position that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement relate to the determination of fair value of suspended equities with significant unobservable inputs are disclosed in Note 12.

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

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

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

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

(d) Changes in accounting policies

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

The Sub-fund also adopted Disclosure of Accounting Policies (Amendments to IAS1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments required the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

The Sub-fund has not applied any new standard or interpretation that is not yet effective for the current accounting period (see Note 15).

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Financial assets and financial liabilities

(i) *Recognition and initial measurement*

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

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

(ii) *Classification and subsequent measurement*

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

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

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

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

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

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

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

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

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

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

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Financial assets and financial liabilities (Continued)

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

Assessment whether contractual cash flows are SPPI

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

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

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

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

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

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

Financial liabilities - Classification, subsequent measurement and gains and losses

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

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

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

Financial liabilities at FVTPL:

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

Financial liabilities at amortised cost:

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

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Financial assets and financial liabilities (Continued)

(iii) *Fair value measurement principles*

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

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

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

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

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

(iv) *Amortised cost measurement*

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

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

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

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

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

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

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

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

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

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

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

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Financial assets and financial liabilities (Continued)

(v) *Impairment (Continued)*

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

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

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

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

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

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

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

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

(vii) *Offsetting*

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

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

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(f) Cash and cash equivalents

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

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

(g) Securities sold short and associated securities borrowing

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

(h) Interest income and expense

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

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

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

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

(j) Expenses

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

(k) Foreign exchange gains and losses

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

(l) Taxation

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

Capital gains, dividend and interest income received by the Sub-fund may be subject to withholding tax imposed in the country of origin. Capital gains and investment income are recorded gross of such taxes and the withholding tax is recognised in the statement of comprehensive income as incurred. Movement in deferred tax liabilities arising from taxable temporary differences on unrealised gains on investments and their tax bases are recognised in the statement of comprehensive income. Refer to Note 9 for more details.

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(m) Redeemable units

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

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

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

As at year ended 31 December 2023, the Sub-fund has five (2022: eight) classes of redeemable units in issue, namely Class A, Class X, Class A HKD, Class A AUD Hedged, and Class A RMB Hedged. Class Z was created for institutional clients only. Class A CAD Hedged, Class A GBP Hedged and Class A NZD Hedged was fully redeemed in 2023. Class A AUD Hedged, Class A CAD Hedged, Class A GBP Hedged, Class A NZD Hedged and Class A RMB Hedged are collectively referred to as "Class A Hedged". All are the most subordinate classes of financial instruments issued by the Sub-fund. They rank pari passu in all material respects and have the same terms and conditions other than different management fees rates, performance fees rate and minimum subsequent subscription and redemption. The redeemable units provide unitholders with the right to require redemption for cash at a value proportionate to the unitholders' share in the Sub-fund's net assets at each redemption date, and also in the event of the Sub-fund's liquidation. The redeemable units of the Sub-fund are classified as financial liabilities as at 31 December 2023 are measured at the present value of the redemption amounts. The change in classification of the redeemable units does not have a significant impact to the understanding of these financial statements.

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

When redeemable units recognised as financial liability (2022: liability) are redeemed, the amount paid on the redemption of the units is presented as a deduction from net assets attributable to unitholders (2022: total equity).

(n) Related parties

- (1) A person, or a close member of that person's family, is related to the Sub-fund if that person:
- (i) has control or joint control over the Sub-fund;
 - (ii) has significant influence over the Sub-fund; or
 - (iii) is a member of the key management personnel of the Sub-fund.
- (2) An entity is related to the Sub-fund if any of the following conditions applies:
- (i) The entity and the Sub-fund are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Sub-fund or an entity related to the Sub-fund.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1);
 - (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-fund or to the Sub-fund's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Market risk

(i) Foreign exchange risk

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

As at 31 December 2023, had the USD weakened by 5% (2022: 5%) in relation to respective currencies, with all other variables held constant, the net asset value would have increased by the amounts shown below. The analysis was performed on the same basis for net foreign currency exposures as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

	Net foreign currency exposures US\$	Change in net asset value if the USD weakened by 5% US\$
As at 31 December 2023		
Australian dollar	452	23
British pounds	3	–
Renminbi	61,062,885	3,053,144
Korean won	7	–
	<u>61,063,347</u>	<u>3,053,167</u>
As at 31 December 2022		
Australian dollar	3,526	176
British pounds	3	–
Chinese renminbi	86,373,951	4,318,697
Korean won	7	–
	<u>86,377,487</u>	<u>4,318,873</u>

As the HKD is pegged to the USD, the Sub-fund does not expect any significant movements in HKD/USD exchange rate and accordingly the HKD foreign currency assets and liabilities have been excluded on the above analysis. A 5% (2022: 5%) appreciation of the USD against the above currencies would have resulted in an equal but opposite effect to the amounts shown above on the basis that all other variables remain constant.

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Price risk

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

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

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

As at 31 December 2023 and 2022, the Sub-fund’s overall market exposures and estimated market sensitivity were as follow. The index used below is for guidance and performance comparison only.

Relevant benchmark index for the Sub-fund	Percentage change		Estimated impact on net assets	
	2023 %	2022 %	2023 US\$	2022 US\$
MSCI China Index	+/-30.0	+/-30.0	+/-31,298,445	+/-41,420,433

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

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

There were no significant concentrations of risk as at 31 December 2023 and 2022. There is no exposure to any individual investments exceeded 10% of the net assets attributable to unitholders or equity as at 31 December 2023 and 2022.

(iii) Interest rate risk

The majority of the Sub-fund's financial assets and liabilities are non-interest bearing.

The Sub-fund's interest bearing assets and liabilities are bank balances of US\$3,502,491 (2022: US\$708,300) and bank overdraft of US\$193,146 (2022: US\$3,596,620). The bank balances and bank overdraft expose the Sub-fund to cash flow interest rate risk. The majority of the Sub-fund's financial assets and liabilities are non-interest bearing. As a result, the Sub-fund is not subject to significant amount of risk due to fluctuations in the prevailing levels of market interest rates and no sensitivity analysis is presented.

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

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

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

Amounts arising from ECLs

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

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

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

For the years ended 31 December 2023 and 2022, the Manager considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. There is no impairment allowance recognised on amounts due from brokers, amounts due from unitholders, interest, dividends and other receivables and cash and cash equivalents. There were no loss allowance recognised by the Sub-fund (2022:Nil).

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

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

Counterparty	Credit rating	2023 US\$	2022 US\$
Bank A - HSBC	Aa3	3,502,491	708,300
Custodian A - HSBC	Aa3	<u>121,210,160</u>	<u>156,970,994</u>
		<u>124,712,651</u>	<u>157,679,294</u>

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

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

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

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

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

(d) Offsetting financial assets and financial liabilities

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

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

As at 31 December 2023

Financial assets subject to enforceable master netting arrangements

	Gross amounts of recognised financial assets US\$	Gross amounts of recognised financial liabilities offset in the statement of financial position US\$	Net amounts of financial assets presented in the statement of financial position US\$	Amounts of financial instruments (including non-cash collateral) US\$	Cash collateral received US\$	Net amount US\$
Derivative financial instruments:						
- Forward currency forward contracts						
- Counterparty A	2,102	—	2,102	(1)	—	2,101
- Participation note						
- Counterparty B	1,118,480	—	1,118,480	—	—	1,118,480

Financial liabilities subject to enforceable master netting arrangements

	Gross amounts of recognised financial liabilities US\$	Gross amounts of recognised financial assets offset in the statement of financial position US\$	Net amounts of financial liabilities presented in the statement of financial position US\$	Amounts of financial instruments (including non-cash collateral) US\$	Cash collateral pledged US\$	Net amount US\$
Derivative financial instruments:						
- Forward currency forward contracts						
- Counterparty A	(1)	—	(1)	1	—	—

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

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

As at 31 December 2022

Financial assets subject to enforceable master netting arrangements

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

Financial liabilities subject to enforceable master netting arrangements

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(e) Specific instrument

Forward contracts

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

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

The Sub-fund had the following foreign currency forward contracts outstanding at 31 December 2023.

Buy	Sell	Settlement date	Fair value assets US\$	Fair value (liabilities) US\$
As at 31 December 2023				
AUD 195,490	USD 131,424	31 January 2024	2,076	–
USD 5,001	AUD 7,319	31 January 2024	3	–
CNH 43,959	USD 6,170	31 January 2024	23	–
USD 226	CNH 1,611	31 January 2024	–	(1)
			<u>2,102</u>	<u>(1)</u>

As at 31 December 2022

AUD 493,853	USD 329,310	31 January 2023	6,887	–
CAD 7,086	USD 5,185	31 January 2023	51	–
USD 4,843	GBP 3,978	31 January 2023	–	(41)
NZD 7,569	USD 4,793	31 January 2023	8	–
CNH 51,052	USD 7,345	28 January 2023	12	–
			<u>6,958</u>	<u>(41)</u>

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

(e) Specific instrument (Continued)

Participation note

As at 31 December 2023

Type of contract	Expiration	Underlying	Long exposure Fair value	Unrealised gain
Participation note	01 April 2027	Centre Testing International Group Co Ltd	\$1,118,480	\$48,809

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

4 CASH AND CASH EQUIVALENTS AND BANK OVERDRAFT

	2023 US\$	2022 US\$
Cash held with bank	3,502,491	708,300
Bank overdraft	(193,146)	(3,596,620)
	<u>3,309,345</u>	<u>(2,888,320)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 AMOUNTS DUE FROM / (TO) BROKERS

	2023 US\$	2022 US\$
Amount due from brokers		
Sale awaiting settlement	1,069,672	–
Amount due to brokers		
Purchases awaiting settlement	<u>1,069,672</u>	<u>–</u>

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

	2023 US\$	2022 US\$
Financial assets at fair value through profit or loss		
Listed equity securities	120,089,579	156,964,077
Participation notes	1,118,480	–
Foreign currency forward contracts	<u>2,102</u>	<u>6,958</u>
	<u>121,210,161</u>	<u>156,971,035</u>
Financial liabilities at fair value through profit or loss		
Foreign currency forward contracts	<u>(1)</u>	<u>(41)</u>

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	2023 US\$	2022 US\$
Net losses from financial assets and financial liabilities at fair value through profit or loss		
Net realised losses	(17,674,549)	(49,048,832)
Change in unrealised gains/(losses)	<u>823,055</u>	<u>(20,010,670)</u>
	<u>(16,851,494)</u>	<u>(69,059,502)</u>

8 TRUSTEE AND FUND ADMINISTRATION FEES

The Trustee is entitled to monthly trustee and fund administration fees which are determined based on the daily net asset value of the Sub-fund as below:

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**9 TAXATION**

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

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

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

On 14 November 2014, the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC ("SAT") and the China Securities Regulatory Commission (the "CSRC") jointly issued the "Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII" (the "Notice"). According to the Notice, amongst other things, QFIIs and RQFIIs, which do not have an establishment or place of business in the PRC or have an establishment or place in the PRC but the income so derived in the PRC is not effectively connected with such establishment, will be temporarily exempt from corporate income tax on gains derived from the transfer of PRC equity investment assets (including China "A" shares) effective from 17 November 2014. Accordingly, as at 31 December 2023 and 2022, the Sub-fund had not made any provision for the tax on capital gains on derivatives instruments linked to "A" shares and China "A" shares on or after 17 November 2014 based on the Notice.

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 TAXATION (Continued)

The Sub-fund directly invests in “B” shares of companies listed in the PRC for subscription by foreign investors and may be subject to PRC withholding tax of 10% on dividend income. A 10% withholding tax may also be payable on the capital gains derived from the sale of “B” shares. Under current PRC tax laws, gains derived from the transfer of shares of PRC companies by non-residents should be subject to a withholding tax of 10%, unless exempt under relevant tax treaties. The SAT has remained silent on the collection of withholding tax for capital gains and until further clarification is issued by the SAT, the Manager considers that there is significant uncertainty in respect of whether the Sub-fund has any liability and the extent of such liability with respect to tax on capital gains derived from the sale of PRC “B” shares. In making this assessment, the Manager has considered (i) the current position of the SAT, (ii) the absence of a withholding mechanism of the relevant tax and (iii) current market practice. Accordingly, as at 31 December 2023 and 2022, the Sub-fund had not made any provision for the tax on capital gains on “B” shares based on the above judgments made by the Manager.

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

Taxation in statement of comprehensive income represents:

	2023 US\$	2022 US\$
Dividend withholding tax	<u>114,868</u>	<u>76,087</u>

Provision for taxation in the statement of financial position represents:

	2023 US\$	2022 US\$
PRC withholding tax provision for the year	114,868	76,087
Tax paid	<u>(114,868)</u>	<u>(76,087)</u>
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)**10 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS**

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

(a) Management fee

Under the Investment Management Agreement, the Manager receives a management fee monthly in arrears at an annual rate of 1.25%, 1.25% and 0.75% of the total net asset value for Class A units, Class A Hedged units and Class Z units respectively on each valuation day as defined in the Explanatory Memorandum. Class X units is not subject to management fees. Management fees of US\$ 1,771,464 (2022: US\$2,052,369) were charged to the statement of comprehensive income during the year. Management fees payable of US\$ 130,695 (2022: US\$157,303) are included in liabilities as at 31 December 2023.

(b) Performance fees

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

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

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

No performance fees were charged to the statement of comprehensive income during the year ended 31 December 2023 (2022: US\$Nil). There is no performance fees payable as at 31 December 2023 (2022: US\$Nil).

Class X units is not subject to performance fees.

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

(c) Trustee fees and fund administration fees

The Trustee, a licensed trust company incorporated in the Cayman Islands, has certain duties and responsibilities as specified in the Explanatory Memorandum. The Trustee is entitled to receive a trustee fee calculated on the basis described in note 8. Trustee and fund administration fees of US\$ 186,101 (2022: US\$226,500) were charged to the statement of comprehensive income during the year. Trustee and fund administration fees payable of US\$ 14,129 (2022: US\$22,267) are included in liabilities as at 31 December 2023.

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

During the year, the Custodian of the Sub-fund, HSBC Institutional Trust Services (Asia) Limited, which is a group company of the Trustee of the Sub-fund, charged transaction costs of US\$ 3,838 (2022: US\$5,453) for handling each purchase or sale of investments.

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

	Value of transactions executed through HSBC US\$	% of total value of transactions of the Sub-fund	Commission and other fees paid to HSBC US\$	Average commission rate
Year 2023	–	–	–	–
Year 2022	10,163,136	1.67%	12,966	0.13%

The Sub-fund maintains bank accounts with HSBC. The Sub-fund may also maintain cash deposits which were held as collateral for transactions involving borrowed securities with HSBC during the year. No cash deposits were held as collateral as at 31 December 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**10 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR CONNECTED PERSONS (Continued)****(d) Balances/transactions with the group companies of the Trustee (Continued)**

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

	2023 <i>US\$</i>	2022 <i>US\$</i>
Investments held with custodian	121,210,160	156,970,994
Bank accounts		
Bank balance	3,502,491	708,300
Bank overdraft	(193,146)	(3,596,620)
Interest income	33,051	49,630
Interest expenses	(359,567)	(174,273)
Bank charges	(27,262)	(38,251)
Professional fees	<u>(9,550)</u>	<u>(9,577)</u>

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

As at 31 December 2023, units held by the related parties of the Manager are listed out below:

	Number of units 2023	2022
Directors of the Manager	<u>65,648</u>	<u>65,648</u>
Fellow subsidiary of the Manager	<u>6,320</u>	<u>6,320</u>
Manager	<u>21,029</u>	<u>34,623</u>

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 REDEEMABLE UNITS IN ISSUE

	2023 US\$	2022 US\$
Net assets attributable to unitholders	124,181,721	153,370,839

Number of units in issue as at 31 December

- Class A	2,341,837	2,527,110
- Class A HKD	518,374	479,689
- Class A AUD Hedged	40,550	88,649
- Class A CAD Hedged	-	1,248
- Class A RMB Hedged	6,320	6,320
- Class A GBP Hedged	-	706
- Class A NZD Hedged	-	1,342
- Class X	21,029	31,326
- Class Z	-	-

Net assets attributable to unitholders

- Class A	123,576,105	152,437,834
- Class A HKD	343,079	362,571
- Class A AUD Hedged	133,032	340,456
- Class A CAD Hedged	-	5,312
- Class A RMB Hedged	6,160	7,441
- Class A GBP Hedged	-	4,866
- Class A NZD Hedged	-	4,866
- Class X	123,345	207,493
- Class Z	-	-

Net asset value per unit

- Class A	USD	52.77	USD	60.32
- Class A HKD	HKD	5.17	HKD	5.90
- Class A AUD Hedged	AUD	4.81	AUD	5.65
- Class A CAD Hedged	CAD	-	CAD	5.76
- Class A RMB Hedged	RMB	6.94	RMB	8.19
- Class A GBP Hedged	GBP	-	GBP	5.72
- Class A NZD Hedged	NZD	-	NZD	5.72
- Class X	USD	5.87	USD	6.62
- Class Z	USD	-	USD	-

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 REDEEMABLE UNITS IN ISSUE (Continued)

The rights attaching to each unit are as follows:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**12 FAIR VALUE INFORMATION**

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

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

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

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

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 FAIR VALUE INFORMATION (Continued)

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

	Level 1 US\$	Level 2 US\$	Level 3* US\$	Total US\$
As at 31 December 2023				
Financial assets at fair value through profit or loss				
Listed equity securities	120,089,579	–	–	120,089,579
Participation notes	–	1,118,480	–	1,118,480
Foreign currency forward contracts	–	2,102	–	2,102
	<u>120,089,579</u>	<u>1,120,582</u>	<u>–</u>	<u>121,210,161</u>
Financial liabilities at fair value through profit or loss				
Foreign currency forward contracts	–	(1)	–	(1)

* The investment in Peace Mark Holdings Ltd. (1,030,000 shares) and Real Gold Mining Ltd. (1,315,000 shares) as at 31 December 2023 and 2022 are classified as level 3 investments since there is no observable inputs from the market. They are delisted shares and suspended shares respectively and management estimate that the fair value is considered as zero.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 FAIR VALUE INFORMATION (Continued)

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

* The investment in Peace Mark Holdings Ltd. (1,030,000 shares) and Real Gold Mining Ltd. (1,315,000 shares) as at 31 December 2023 and 2022 are classified as level 3 investments since there is no observable inputs from the market. They are delisted shares and suspended shares respectively and management estimate that the fair value is considered as zero.

There is no transfer between levels for the years ended 31 December 2023 and 2022.

The financial instruments not measured at FVTPL include:

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

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 TRANSACTION COSTS

As at 31 December 2023, transaction costs for each Sub-fund pertains to the following expense:

	2023	2022
	<i>US\$</i>	<i>US\$</i>
Trading commission	312,111	463,032
Trading expense	431,958	644,301
Trading fee	<u>3,838</u>	<u>5,453</u>
Total transaction costs	<u><u>747,907</u></u>	<u><u>1,112,786</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)**14 SOFT COMMISSION ARRANGEMENTS**

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

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

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

For the year ended 31 December 2023, the Manager obtained research and advisory services; economic and political analysis; portfolio and market analysis, data and quotation services and software incidental to the above goods and services; and investment related publications through soft dollar arrangements. During the years ended 31 December 2023 and 2022, the Manager obtained the services through soft dollars arrangements on transaction amounting to US\$199,299,344 (2022: US\$193,879,898). Commission which amounted to US\$227,749 (2022: US\$236,796) is paid from the Sub-fund on these transactions, and it is included in the trading commission (Please refer to Note 13 for details).

CHINESE MAINLAND FOCUS FUND

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These include the following which may be relevant to the Sub-fund.

**Effective for
accounting periods
beginning on or after**

Amendments to IAS 1, Classification of Liabilities
as Current or Non-current

1 January 2024

The Sub-fund is in the process of making an assessment of what the impact of these amendments, new standard and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Sub-fund's results of operations and financial position.

16 SUBSEQUENT EVENT

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

CHINESE MAINLAND FOCUS FUND

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

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 DECEMBER 2023

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Holdings	Fair value US\$	% of net assets
Listed equity securities			
China			
Aier Eye Hospital Group Co Ltd A SHARES (SZHK)	749,500	1,668,250	1.34
Beijing Tongrentang Co Ltd A SHARES (SHHK)	200,294	1,513,301	1.22
Centre Testing International Group Co Ltd A SHARES (SZHK)	1,019,072	2,035,993	1.64
Changzhou Xingyu Automotive Lighting Systems Co Ltd A SHARES (SHHK)	56,800	1,047,773	0.84
China Yangtze Power Co Ltd A SHARES (SHHK)	677,700	2,225,469	1.79
East Money Information Co Ltd A SHARES (SZHK)	560,500	1,107,199	0.89
Eastern Air Logistics Co Ltd A SHARES (SHHK)	2,520,700	5,241,779	4.22
Huadong Medicine Co Ltd A SHARES (SZHK)	462,983	2,700,707	2.18
Kweichow Moutai Co Ltd A SHARES (SHHK)	6,300	1,529,905	1.23
Luxshare Precision Industry Co Ltd A SHARES (SZHK)	1,875,560	9,090,825	7.32
Maxscend Microelectronics Co Ltd A SHARES (SZHK)	422,193	8,375,549	6.74
Ningbo Tuopu Group Co Ltd A SHARES (SHHK)	365,242	3,777,038	3.04
Shenzhen Inovance Technology Co Ltd A SHARES (SZHK)	349,577	3,105,493	2.50
Shenzhen Mindray Bio-Medical Electronics Co Ltd A SHARES (SZHK)	47,050	1,923,705	1.55
Sichuan Kelun Pharmaceutical Co Ltd A SHARES (SZHK)	312,200	1,276,034	1.03
Will Semiconductor Co Ltd Shanghai A SHARES (SHHK)	84,095	1,262,579	1.02
WuXi AppTec Co Ltd A SHARES (SHHK)	134,000	1,371,768	1.10
Zhejiang Sanhua Intelligent Controls Co Ltd A SHARES (SZHK)	1,676,708	6,935,662	5.59
Zijin Mining Group Co Ltd A SHARES (SHHK)	1,669,144	2,926,139	2.36
Total China		59,115,168	47.60

CHINESE MAINLAND FOCUS FUND

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

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2023

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

	Holdings	Fair value US\$	% of net assets
Listed equity securities (Continued)			
<i>Hong Kong - H Shares</i>			
China Longyuan Power Group Corp Ltd H SHARES	2,439,000	1,848,401	1.49
Sinopharm Group Co Ltd H SHARES	270,000	706,838	0.57
Zhaojin Mining Industry Co Ltd H SHARES	1,468,500	1,825,391	1.47
<i>Hong Kong - Others</i>			
Akeso Inc	261,000	1,550,320	1.25
Anta Sports Products Ltd	312,200	3,027,459	2.44
BeiGene Ltd	44,400	625,796	0.50
BYD Electronic International Co Ltd	291,500	1,365,785	1.10
China Power International Development Ltd	1,944,000	714,235	0.58
China Resources Power Holdings Co Ltd	320,000	640,692	0.52
Lenovo Group Ltd	2,030,000	2,837,798	2.29
NetEase Inc	359,700	6,474,236	5.21
New Oriental Education & Technology Group Inc	401,400	2,839,046	2.29
Shenzhou International Group Holdings Ltd	114,800	1,181,573	0.94
Tencent Holdings Ltd	291,700	10,963,653	8.83
Xiamen Yan Palace Birds Nest Industry Co Ltd	167,600	193,099	0.15
Xiaomi Corp	2,200,400	4,394,293	3.54
Total Hong Kong		41,188,615	33.17

CHINESE MAINLAND FOCUS FUND

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

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2023

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

	Holdings	Fair value US\$	% of net assets
Listed equity securities (Continued)			
<i>The United States of America</i>			
Pinduoduo Inc ADR	81,079	11,862,669	9.55
TAL Education Group ADR	627,326	7,923,127	6.38
Total The United States of America		19,785,796	15.93
Total listed equity securities		120,089,579	96.70
Unlisted equity securities			
<i>Hong Kong - Others</i>			
Peace Mark (Holdings) Ltd	1,030,000	-	-
Real Gold Mining Ltd	1,315,000	-	-
Total equity securities		-	-

CHINESE MAINLAND FOCUS FUND

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

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2023

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

Underlying	Counterparty	Notional amount of contracts outstanding US\$	Fair value US\$	% of net assets
Derivative financial assets				
Foreign currency forward contracts				
Buy AUD Sell USD	HSBC	131,424	2,076	-
Buy USD Sell AUD	HSBC	5,001	3	-
Buy CNH Sell USD	HSBC	6,170	23	-
			<u>2,102</u>	<u>-</u>
Participation notes				
CICC Financial Trading Ltd (Centre Testing International Group Co Ltd A SHARES) P-note 1/4/2027	CICC	559,800	1,118,480	0.90
			<u>1,118,480</u>	<u>0.90</u>
Total derivative financial assets			<u>1,120,582</u>	<u>0.90</u>
Total financial assets at fair value through profit or loss			<u>121,210,161</u>	<u>97.60</u>

CHINESE MAINLAND FOCUS FUND

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

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2023

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Underlying	Counterparty	Notional amount of contracts outstanding US\$	Fair value US\$	% of net assets
Derivative financial liabilities				
<i>Foreign currency forward contracts</i>				
Buy USD Sell CNH	HSBC	226	(1)	-
Total financial liabilities at fair value through profit or loss			(1)	-
Total investments, net			121,210,160	97.60
Cash and Cash equivalents (net of bank overdraft)			3,309,345	2.67
Other net liabilities			(337,784)	(0.27)
Total net assets			124,181,721	100.00
Total investments, at cost			114,674,552	

CHINESE MAINLAND FOCUS FUND

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

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

	% of net assets	
	2023	2022
Listed equity securities		
China	47.60	55.87
Hong Kong	33.17	40.09
The United States of America	15.93	6.37
	<u>96.70</u>	<u>102.33</u>
Participation notes	0.90	-
Foreign currency forward contracts	-	-
Total financial assets at fair value through profit or loss	<u>97.60</u>	<u>102.33</u>
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		
Foreign currency forward contracts	-	-
Total financial liabilities at fair value through profit or loss	<u>-</u>	<u>-</u>
Total investments, net	97.60	102.33
Cash and Cash equivalents (net of bank overdraft)	2.67	(1.88)
Other net liabilities	<u>(0.27)</u>	<u>(0.45)</u>
Total net assets	<u>100.00</u>	<u>100.00</u>

CHINESE MAINLAND FOCUS FUND

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

PERFORMANCE RECORD (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Net asset values

	Net asset value per unit									
	Class A	Class A	Class A	Class A	Class A	Class A				
		HKD	AUD	CAD	GBP	NZD	RMB	Class X	Class Z	Net asset
	US\$	HKD	Hedged	Hedged	Hedged	Hedged	Hedged	US\$	US\$	value
			AUD	CAD	GBP	NZD	RMB			US\$
-31 December 2023	52.77	5.17	4.81	—	—	—	6.94	5.87	—	124,181,721
-31 December 2022	60.32	5.90	5.65	5.76	5.72	5.72	8.19	6.62	—	153,370,839
-31 December 2021	88.07	8.61	8.48	8.52	8.51	8.49	—	9.55	8.98	238,942,577

CHINESE MAINLAND FOCUS FUND

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

PERFORMANCE RECORD (UNAUDITED) (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Highest issue and lowest redemption prices

	Highest issue prices per unit				
	Class A US\$	Class A HKD HKD	Class A AUD Hedged AUD	Class A CAD Hedged CAD	Class A RMB Hedged RMB
Financial year ended					
- 31 December 2023	67.53	6.63	6.31	6.44	9.14
- 31 December 2022	88.07	8.61	8.48	8.52	10.27
- 31 December 2021	119.72	10.30	10.31	10.30	-
- 31 December 2020	101.50	-	-	-	-
- 31 December 2019	58.47	-	-	-	-
- 31 December 2018	66.22	-	-	-	-
- 31 December 2017	62.86	-	-	-	-
- 31 December 2016	39.79	-	-	-	-
- 31 December 2015	55.81	-	-	-	-
- 31 December 2014	40.63	-	-	-	-

	Lowest redemption prices per unit				
	Class A US\$	Class A HKD HKD	Class A AUD Hedged AUD	Class A CAD Hedged CAD	Class A RMB Hedged RMB
Financial year ended					
- 31 December 2023	49.65	4.87	4.54	-	6.56
- 31 December 2022	48.54	4.78	4.58	4.65	6.64
- 31 December 2021	82.48	8.05	7.96	7.99	-
- 31 December 2020	51.21	-	-	-	-
- 31 December 2019	41.43	-	-	-	-
- 31 December 2018	41.15	-	-	-	-
- 31 December 2017	37.19	-	-	-	-
- 31 December 2016	31.90	-	-	-	-
- 31 December 2015	35.75	-	-	-	-
- 31 December 2014	31.65	-	-	-	-

CHINESE MAINLAND FOCUS FUND

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

PERFORMANCE RECORD (UNAUDITED) (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Highest issue and lowest redemption prices

	Highest issue prices per unit			
	Class A GBP Hedged GBP	Class A NZD Hedged NZD	Class X US\$	Class Z US\$
Financial year ended				
- 31 December 2023	6.39	6.39	7.42	-
- 31 December 2022	8.51	8.49	9.55	8.98
- 31 December 2021	10.30	10.31	11.03	10.36
- 31 December 2020	-	-	11.24	-
- 31 December 2019	-	-	-	-
- 31 December 2018	-	-	-	-
- 31 December 2017	-	-	-	-
- 31 December 2016	-	-	-	-
- 31 December 2015	-	-	-	-
- 31 December 2014	-	-	-	-

	Lowest redemption prices per unit			
	Class A GBP Hedged GBP	Class A NZD Hedged NZD	Class X US\$	Class Z US\$
Financial year ended				
- 31 December 2023	-	-	5.51	-
- 31 December 2022	4.62	4.63	9.55	8.98
- 31 December 2021	7.98	7.96	8.92	8.40
- 31 December 2020	-	-	9.05	-
- 31 December 2019	-	-	-	-
- 31 December 2018	-	-	-	-
- 31 December 2017	-	-	-	-
- 31 December 2016	-	-	-	-
- 31 December 2015	-	-	-	-
- 31 December 2014	-	-	-	-

CHINESE MAINLAND FOCUS FUND

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

**INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE
INSTRUMENTS (UNAUDITED)**

FOR THE YEAR ENDED 31 DECEMBER 2023

	Gross exposure			Net exposure		
	Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
Foreign currency forward contracts	0.56%	0.10%	0.18%	–	–	–
Participation notes	1.05%	–	0.21%	–	–	–