



ZEAL *Voyage* China Fund

Annual Report 2022
For the year ended 31 December 2022

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MANAGEMENT AND ADMINISTRATION

Manager	Zeal Asset Management Limited Unit 1006A, 10/F Bank of America Tower 12 Harcourt Road Central Hong Kong Telephone No.: +852 3626 9700 Fax No.: +852 3626 9736
Directors of the Manager	CHOI Nga Chung NGAN Wai Wah POON Chun Pong Daniel
Trustee, Administrator and Registrar	BOCI-Prudential Trustee Limited Suites 1501 – 1507 & 1513 – 1516, 15/F 1111 King's Road Taikoo Shing Hong Kong
Custodian	Bank of China (Hong Kong) Limited 14/F, Bank of China Tower 1 Garden Road Central Hong Kong
Legal Counsel to the Manager	Simmons & Simmons 30/F One Taikoo Place 979 King's Road Hong Kong
Auditor	Ernst & Young 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong

REPORT OF THE MANAGER

Review of 2022

2022 was a tough year for Chinese equities with MSCI China Index returning -21.77% for the year¹. For the first ten months of the year, worries over the Russian/Ukraine conflict, coronavirus resurgence, RMB depreciation, and US interest rate hikes weighed on sentiment and dragged the market. In late 2022, Chinese market rebounded on the back of relaxation of COVID measures and the ensuing consumption recovery.

First half of 2022

The market performance in January started weak, as investors were waiting for more substantive policies to support the real economy and to keep the economic recovery on track. In February, the market broadly fell in the face of the Russian/Ukraine conflict. The sentiment was extremely fragile as investors chose to only focus on the negatives. In March, Hong Kong and China markets dropped as uncertainty in the Russian/Ukraine conflict and the resurgence of COVID-19 in China continued to pose challenges. The volatilities in March continued into April as downward economic pressure stemmed from Shanghai's continuous lockdown, and a weakening RMB against the USD further propagated negative sentiments. The Chinese equity market rose in May in hopes of an economic bounce as the Chinese government cut key interest rates and eased some COVID containment measures in major cities including Shanghai and Beijing.

Second half of 2022

In June, the Chinese equity market rose on the back of a loose liquidity environment and optimism about an economic recovery due to eased the COVID restrictions. In July, the Chinese equity market hit a roadblock due to concerns over the real estate mortgage payment boycott and the abruptly intensified tension between China and Taiwan over former US House Speaker Nancy Pelosi's visit to the island. Movements in August continued the pattern in July – both indices and volatilities stayed low. There were several major negative factors affected the Chinese equity market in August, including RMB depreciation, lockdown amid coronavirus resurgence, and the Federal Reserve was expected to impose hawkish interest rate hikes. The one positive news in August, which was the US and China regulatory authorities reached an audit agreement for the US-listed Chinese companies. In September, the global equity market took a tumble due to the aggressive US rate hike. With China's economy bogged down by virus containment measures and the struggling housing market, the Chinese market saw no relief even though China's central bank was easing. In October, the Chinese equity market took a tumble due to the market's concerns over the messages delivered at the 20th Party Congress, which lacked a COVID-zero exit and detailed economy-boosting policies. In November, the Chinese equity market rebounded strongly from the October trough. The rally was mainly driven by the broad relaxation of COVID measures. In December, the Chinese equity market had another monthly appreciation on the back of consumption recovery from the relaxation of COVID measures.

¹ Source: Bloomberg, as of December 31 2022

REPORT OF THE MANAGER (continued)

Outlook for 2023

After nearly 2 years of bear market, we believe the market backdrop has turned more constructive. While most developed countries are struggling with inflation and a potential recession, we believe China will likely lead global market performance because of its favourable policies, recovering economic outlook, and low valuation.

Taking a medium to longer-term view, we believe that there are two compelling reasons to support the case that the current market rally is sustainable. The first one is valuation recovery. We believe that the valuation will recover further if China's corporate earnings rebound and the market sees the US interest rate peak. The second is inflow from global investors. We believe global investors will reassess their overall positions in China after seeing companies' annual results and their outlooks. We are well aware of the different kinds of reasonable concerns that global investors have about China, but at the same time, these concerns create mispricing opportunities for us to capture. All we need is extra patience to carry out our research and investment process in the right way to take advantage of the values in the market.

Zeal Asset Management Limited
19 April 2023

DISCLAIMER: This document is based on management forecasts and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this document, we have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources. All opinions or estimates contained in this document are entirely Zeal Asset Management Limited's judgment as of the date of this document and are subject to change without notice. Past performance is not indicative of future performance. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment program for any investor. Prospective investors should take into account their own circumstances and financial resources and carefully consider whether this investment is suitable for them personally.

REPORT OF THE TRUSTEE

We hereby confirm that, in our opinion, the Manager of the Trust has, in all material respects, managed the Trust in accordance with the provisions of the Trust Deed dated 25 August 2010, the First Supplemental Deed dated 3 March 2011, the Second Supplemental Deed dated 19 September 2013, the Third Supplemental Deed dated 8 May 2014, the Forth Supplemental Deed dated 25 June 2015 and restated by the Fifth Supplemental Deed dated 25 June 2015, the Sixth Supplemental Deed dated 28 December 2016, the Seventh Supplemental Deed dated 18 May 2017 and the Eighth Supplemental Deed dated 30 December 2019 for the year ended 31 December 2022, as amended.

BOCI-Prudential Trustee Limited

19 April 2023

INDEPENDENT AUDITOR'S REPORT

To the Trustee and Manager of ZEAL Voyage China Fund

(A unit trust established under the laws of Hong Kong)

Opinion

We have audited the financial statements of ZEAL Voyage China Fund (the "Fund") set out on pages 8 to 37, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Annual Report

The Trustee and the Manager of the Fund are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Trustee and Manager of ZEAL Voyage China Fund

(A unit trust established under the laws of Hong Kong)

Responsibilities of Trustee and Manager for the financial statements

The Trustee and Manager of the Fund are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with IFRSs issued by the IASB, and for such internal control as the Trustee and the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Trustee and Manager of the Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 25 August 2010 (the "Trust Deed") and its latest supplemental deed dated 30 December 2019 and the disclosure requirements specified in Appendix E to the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong (the "SFC Code") issued by the Hong Kong Securities and Futures Commission.

Auditor's responsibilities for the audit of the financial statements

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Trustee and Manager of ZEAL Voyage China Fund

(A unit trust established under the laws of Hong Kong)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee and the Manager.
- Conclude on the appropriateness of the Trustee's and the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on matters under the relevant disclosure provisions of the Trust Deed and 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 disclosure provisions of the Trust Deed, and the disclosure requirements specified in Appendix E to the SFC Code.

Certified Public Accountants
Hong Kong
19 April 2023

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

		2022	2021
	Notes	HKD	HKD
ASSETS			
Financial assets at fair value through profit or loss	9, 10	1,777,610,257	2,317,713,443
Amounts due from brokers	12	57,577,352	74,144,559
Subscription proceeds receivable		3,105,113	2,255,725
Interest receivable		200,877	2,787,426
Dividend receivable		437,580	1,466,563
Prepayments and other receivables		-	29,808
Cash and cash equivalents	11	<u>117,176,339</u>	<u>106,406,389</u>
TOTAL ASSETS		<u>1,956,107,518</u>	<u>2,504,803,913</u>
LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)			
Financial liabilities at fair value through profit or loss	9, 10	226,518	314,128
Amounts due to brokers	12	19,921,824	36,511,827
Redemption proceeds payable		8,291,105	10,185,615
Management fee payable	6	2,816,701	3,701,879
Trustee fee payable	6	369,440	247,632
Other accounts payable and accruals		<u>458,829</u>	<u>500,888</u>
TOTAL LIABILITIES		<u>32,084,417</u>	<u>51,461,969</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>1,924,023,101</u>	<u>2,453,341,944</u>

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	2022 HKD	2021 HKD
INCOME			
Dividend income		28,716,893	15,656,340
Interest income		<u>5,199,226</u>	<u>4,000,304</u>
		<u>33,916,119</u>	<u>19,656,644</u>
EXPENSES			
Performance fees	6	-	(5,396,270)
Management fees	6	(35,063,834)	(49,021,880)
Transaction costs	6	(8,314,554)	(8,356,618)
Brokerage fees		(7,379,005)	(7,525,572)
Trustee fees	6	(2,428,617)	(3,226,250)
Custodian fees		(632,122)	(943,974)
Legal and professional fees		(132,157)	(153,264)
Dividend withholding tax		(1,014,932)	(62,529)
Audit fees		(285,806)	(293,037)
Other operating expenses		<u>(1,068,494)</u>	<u>(1,156,286)</u>
		<u>(56,319,521)</u>	<u>(76,135,680)</u>
Net loss before investments and exchange differences		<u>(22,403,402)</u>	<u>(56,479,036)</u>
INVESTMENTS AND EXCHANGE DIFFERENCES			
Net losses on financial assets and liabilities at fair value through profit or loss	9	(535,394,448)	(414,560,333)
Net foreign exchange differences		<u>(1,640,018)</u>	<u>(214,514)</u>
		<u>(537,034,466)</u>	<u>(414,774,847)</u>
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS FOR THE YEAR BEFORE DISTRIBUTION			
		<u>(559,437,868)</u>	<u>(471,253,883)</u>
FINANCE COST			
Distributions to unitholders	7	-	(24,784,271)
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS FOR THE YEAR			
		<u>(559,437,868)</u>	<u>(496,038,154)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2022

	2022	2021
	HKD	HKD
Net assets attributable to unitholders at the beginning of the year	2,453,341,944	2,545,677,502
Proceeds from issue of units during the year	399,895,357	1,378,054,087
Payment on redeemed units during the year	(369,776,332)	(974,351,491)
Decrease in net assets attributable to unitholders from operations for the year	<u>(559,437,868)</u>	<u>(496,038,154)</u>
Net assets attributable to unitholders at the end of the year	<u><u>1,924,023,101</u></u>	<u><u>2,453,341,944</u></u>

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

For the year ended 31 December 2022

Changes in Units Issued

	Note	2022 Units	2021 Units
HKD Units Class			
Units outstanding at the beginning of the year		312,644,523.3074	283,735,914.4361
Units issued during the year		32,756,233.0802	156,824,810.7833
Units redeemed during the year		<u>(58,366,726.8072)</u>	<u>(127,916,201.9120)</u>
Units outstanding at the end of the year	13	<u>287,034,029.5804</u>	<u>312,644,523.3074</u>
HKD (dist) Units Class			
Units outstanding at the beginning of the year		188,705,195.7247	143,740,973.5689
Units issued during the year		12,884,201.4968	52,740,775.6038
Units redeemed during the year		<u>(21,304,339.7390)</u>	<u>(7,776,553.4480)</u>
Units outstanding at the end of the year	13	<u>180,285,057.4825</u>	<u>188,705,195.7247</u>
USD Units Class			
Units outstanding at the beginning of the year		96,340,073.5837	82,859,847.7726
Units issued during the year		21,894,648.5198	42,463,835.3624
Units redeemed during the year		<u>(17,331,848.4426)</u>	<u>(28,983,609.5513)</u>
Units outstanding at the end of the year	13	<u>100,902,873.6609</u>	<u>96,340,073.5837</u>
AUD (hedged) Units Class			
Units outstanding at the beginning of the year		77,951.0578	102,247.1686
Units issued during the year		233,450.3271	3,111.6445
Units redeemed during the year		<u>(181,686.8247)</u>	<u>(27,407.7553)</u>
Units outstanding at the end of the year	13	<u>129,714.5602</u>	<u>77,951.0578</u>
RMB (hedged) Units Class			
Units outstanding at the beginning of the year		73,073,018.9506	69,478,838.4746
Units issued during the year		45,814,025.7043	62,913,757.4429
Units redeemed during the year		<u>(31,873,233.4000)</u>	<u>(59,319,576.9669)</u>
Units outstanding at the end of the year	13	<u>87,013,811.2549</u>	<u>73,073,018.9506</u>

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	2022 HKD	2021 HKD
CASH FLOWS FROM OPERATING ACTIVITIES			
Decrease in net assets attributable to unitholders from operations for the year before distribution		(559,437,868)	(496,038,154)
Adjustments for:			
Interest income		(5,199,226)	(4,000,304)
Dividend income, net of withholding tax		(27,701,961)	(15,593,811)
Distributions expense		-	24,784,271
Decrease in financial assets at fair value through profit or loss		540,103,186	163,017,008
Decrease/(increase) in amounts due from brokers		16,567,207	(13,409,071)
Decrease/(increase) in prepayments and other receivables		29,808	(29,808)
(Decrease)/increase in financial liabilities at fair value through profit or loss		(87,610)	314,128
Decrease in amounts due to brokers		(16,590,003)	(2,891,798)
Decrease in performance fee payable		-	(90,269,248)
(Decrease)/increase in management fee payable		(885,178)	137,373
Increase in trustee fee payable		121,808	7,949
(Decrease)/increase in other accounts payable and accruals		(42,059)	27,677
		<u>(53,121,896)</u>	<u>(433,943,788)</u>
Interest received		7,785,775	1,769,767
Dividends received		28,730,944	14,889,127
Net cash flows used in operating activities		<u>(16,605,177)</u>	<u>(417,284,894)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		399,045,969	1,407,901,426
Payment on redeemed units		(371,670,842)	(984,415,053)
Distribution paid		-	(24,784,271)
Net cash flows from financing activities		<u>27,375,127</u>	<u>398,702,102</u>
Net increase/(decrease) in cash and cash equivalents		10,769,950	(18,582,792)
Cash and cash equivalents at beginning of year		<u>106,406,389</u>	<u>124,989,181</u>
Cash and cash equivalents at end of year		<u>117,176,339</u>	<u>106,406,389</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:			
Cash at bank	11	<u>117,176,339</u>	<u>106,406,389</u>

NOTES TO FINANCIAL STATEMENTS

1. THE FUND

ZEAL Voyage China Fund (the “Fund”) is a unit trust established under the laws of Hong Kong by the Trust Deed dated 25 August 2010, the First Supplemental Deed dated 3 March 2011, the Second Supplemental Deed dated 19 September 2013 and the Third Supplemental Deed dated 8 May 2014 (the “Trust Deed”) between Zeal Asset Management Limited as manager (the “Manager”) and Cititrust Limited (as the previous trustee of the Fund) amended by a Fourth Supplemental Deed dated 25 June 2015 (being the Deed of Retirement and Appointment), and as amended and restated by a Fifth Supplemental Deed dated 25 June 2015, the Sixth Supplemental Deed dated 28 December 2016, the Seventh Supplemental Deed dated 18 May 2017 and the Eighth Supplemental Deed dated 30 December 2019. By way of a deed of retirement and appointment, the Manager has appointed BOCI-Prudential Trustee Limited as the new trustee of the Fund (the “Trustee”) with effect from 27 July 2015 (the “Deed of Retirement and Appointment”). The Fund has been authorised by the Securities and Futures Commission in Hong Kong (the “SFC”) under Section 104 of the Securities and Futures Ordinance of Hong Kong and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC of Hong Kong (the “Code”). The Fund is approved by the Immigration Department in Hong Kong as one of the Eligible Collective Investment Schemes under the Capital Investment Entrant Scheme (“the Scheme”). However, the Scheme had been suspended with effect from 15 January 2015 until further notice as announced by the Hong Kong Government. With effect from 18 December 2015, the Fund has been approved by the China Securities Regulatory Commission to register as one of the northbound funds under the Mainland-Hong Kong Mutual Recognition of Funds scheme.

The Manager of the Fund is Zeal Asset Management Limited. Under the Trust Deed, the Manager is responsible for the management of the assets of the Fund. The Manager is also responsible, in conjunction with the Trustee, for the maintenance of the accounts and records of the Fund as well as certain other administrative matters relating to the Fund. As of 31 December 2022, the Fund has been notified, registered or approved (as the case may be and howsoever described) in accordance with the local law/regulations implementing the Alternative Investment Fund Managers Directive (Directive (2011/61/EU)) (the “AIFMD”) for marketing to professional investors.

The investment objective of the Fund is to generate long-term capital appreciation by primarily investing in listed equities with a China focus. The Fund will seek to achieve its investment objective primarily through exposure to companies established in China or which derive a significant proportion of their revenue from business related to China. The Fund may also invest in companies incorporated elsewhere that have significant assets, business, production, trading activity or other interests in China. The Fund obtains investment exposure to such companies primarily through investing in securities listed on The Stock Exchange of Hong Kong, the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange.

NOTES TO FINANCIAL STATEMENTS (continued)

2.1 BASIS OF PREPARATION

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared under the historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value. The financial statements are presented in Hong Kong dollars (“HKD”) and all values are rounded to the nearest dollar except where otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Standards and amendments to existing standards effective 1 January 2022

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

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The amended standards that are issued, but not yet effective, up to the date of the Fund’s financial statements are disclosed below, except for those standards which, in the opinion of the Manager, will clearly not impact the Fund. The Fund intends to adopt these amended standards, if applicable, when they become effective.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Fund.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

NOTES TO FINANCIAL STATEMENTS (continued)

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (continued)

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The amendments are not expected to have a material impact on the Fund.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

The preparation of the Fund's financial statements requires management to make judgements and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and judgements could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Functional currency

The primary objective of the Fund is to generate return in HKD, its capital-raising currency. The liquidity of the Fund is managed on a day-to-day basis in HKD in order to handle the issue, acquisition and resale of the Fund's redeemable participating units. The Fund's performance is evaluated in HKD. Therefore, management considers the HKD as the currency that most faithfully represents the economic effects of the underlying transactions, events and condition.

NOTES TO FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Going concern

The Fund's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates and assumptions

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and last trade price. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared.

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Fund establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile. As the Fund assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

NOTES TO FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(i) Classification

In accordance with IFRS 9, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The Fund's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order 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 on the principal amount outstanding. The Fund includes in this category short-term non-financing receivables including amounts due from brokers, subscription proceeds receivable, interest receivable, dividend receivable, other receivables and cash and cash equivalents.

Financial assets measured at fair value through profit or loss ("FVPL")

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

NOTES TO FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Classification (continued)

The Fund includes in this category:

- *Debt instruments.* These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.
- *Instruments held for trading.* This category includes equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. This category also includes derivative contracts in an asset position.

Financial liabilities

Financial liabilities measured at fair value through profit or loss

A financial liability is measured at FVPL if it meets the definition of held for trading.

The Fund includes in this category, derivative contracts in a liability position and debt instruments sold short since they are classified as held for trading. The Fund also includes its redeemable units in this category and the Fund's accounting policy regarding the redeemable participating units is described in a separate paragraph within this note.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those classified FVPL. The Fund includes in this category amounts due to brokers, redemption proceeds payable, management fee payable, trustee fee payable, other accounts payable and accruals.

(ii) Initial recognition and measurement

The Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on trade date, i.e., the date that the Fund commits to purchase or sell the asset.

(iii) Initial measurement

Financial assets and financial liabilities categorised at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in the statement of comprehensive income.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

NOTES TO FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as at FVPL, at their fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gains or losses on financial assets and liabilities at FVPL.

Interest and dividend earned or paid on the financial instruments classified as at FVPL are recorded separately in interest income or expense and dividend income or expense in profit or loss in accordance with the policies set out below in this note.

Loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(v) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either:

- (a) the Fund has transferred substantially all the risks and rewards of the asset; or
- (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(v) Derecognition (continued)

When the Fund has transferred its rights to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Fair value measurement

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

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets (i.e. future contracts) at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs.

For the fair value of financial instruments not traded in an active market (i.e. forward contracts), the most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the price of the underlying equities, the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

NOTES TO FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

Impairment of financial assets

The Fund holds only short-term receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its short-term receivables. Therefore, the Fund does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund uses the provision matrix as a practical expedient to measuring ECLs on short-term receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and time deposits. Cash equivalents are short term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank and time deposits, net of outstanding bank overdrafts.

NOTES TO FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amounts due from/to brokers

Amounts due to prime broker are payables for securities purchased (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. Amounts due from prime broker include cash accounts and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. Cash held with brokers represent cash deposits held with broker as collateral against open futures contracts.

Net assets attributable to unitholders

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the redeemable units over the life of the instrument 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 Fund over the life of the instrument.

In addition to the instrument having all the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on 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 Fund, and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity.

If the redeemable units subsequently have all the features and meet the conditions set out to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The Fund's redeemable HKD class, HKD (dist) class, USD class, AUD (hedged) class and RMB (hedged) class units meet the definition of redeemable instruments classified as liability instruments under IAS 32 *Financial Instruments: Presentation*.

NOTES TO FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividend income

Dividend income is recognised when the unitholder's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately as an expense in the statement of comprehensive income.

Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

Net gain or loss on financial assets and liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'at fair value through profit or loss' and excludes interest and dividend income and expense.

Realised gains and losses on disposals of financial instruments at 'fair value through profit or loss' are calculated using the average cost method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

Expenses

All expenses, including management fees and performance fees, are recognised in the statement of comprehensive income on an accrual basis.

Transaction costs

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

Foreign currency transactions

These financial statements are presented in HKD, which is the Fund's functional and presentation currency. Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of reporting period.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss in the statement of comprehensive income. Foreign exchange differences on other financial instruments are included in the statement of comprehensive income as 'Net foreign exchange differences'.

NOTES TO FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

- (a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Fund;
 - (ii) has significant influence over the Fund; or
 - (iii) is a member of the key management personnel of the Fund or of a parent of the Fund;

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Fund are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Fund 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 Fund or an entity related to the Fund;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(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); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Fund or to the parent of the Fund.

5. RELATED PARTY TRANSACTIONS

The Fund is managed by the Manager, a company incorporated in Hong Kong. The Manager is responsible, subject to the policies, controls and approval of the Trustee, for the investment of the Fund's assets. Details of the fees to which the Manager is entitled are provided in Note 6 to the financial statements.

Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year between the Fund and the Manager were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Fund does not have any other transactions with connected persons except for what is disclosed in the table below and in Note 6 to the financial statements.

	2022	2021
	HKD	HKD
<u>Transactions with an affiliate of the Trustee (Bank of China (Hong Kong) Limited)</u>		
Bank balances	117,176,339	106,406,389
Interest income earned from bank balances	28,820	12,037
Bank charges	21,691	25,835
Custodian fee	632,122	943,974

NOTES TO FINANCIAL STATEMENTS (continued)

6. FEES

In addition to the transactions disclosed elsewhere in these financial statements, the Fund had the following material transactions with the connected persons during the year.

Management fee

The Manager is entitled to receive a management fee which is equal to 1.75% per annum of the Net Asset Value ("NAV") of the Fund and before making any deduction for any accrued performance fees. The management fee will be accrued as at each Valuation Day and will be payable monthly in arrears.

The total management fee for the year ended 31 December 2022 amounted to HKD35,063,834 (2021: HKD49,021,880). As at 31 December 2022, the management fee payable to the Manager amounted to HKD2,816,701 (2021: HKD3,701,879).

Performance fee

The Manager is entitled to receive a performance fee which is equal to 15% of the appreciation in the NAV per Unit (prior to the deduction of any provision for any distribution declared or paid in respect of that Performance Period) during the relevant Performance Period above the High Watermark per Unit. The performance fee shall be calculated daily in accordance with high-on-high basis and accrued on each Valuation Day throughout the relevant Performance Period. On each Valuation Day, a new performance fee accrual will be calculated and made in accordance with the above methodology.

No performance fee for the year ended 31 December 2022 (2021: HKD5,396,270). No performance fee was payable to the Manager for both years ended 31 December 2022 and 2021.

Trustee fee

BOCI-Prudential Trustee Limited (the "Trustee, Administrator and Registrar") is entitled to receive a trustee fee which is calculated at an annual rate up to 0.15% on NAV of the Fund.

The total trustee fee for the year ended 31 December 2022 amounted to HKD2,428,617 (2021: HKD3,226,250). As at 31 December 2022, the trustee fee payable amounted to HKD369,440 (2021: HKD247,632).

Transaction costs

The total transaction cost for the year ended 31 December 2022 amounted to HKD8,314,554 (2021: HKD8,356,618).

The Trustee is entitled to receive transaction fees of HKD61,420 for the year ended 31 December 2022 (2021: HKD61,970).

FATCA Service Fee

The Trustee is entitled to receive a FATCA service fee of HKD5,000 per half-year.

The FATCA service fee charged for the year ended 31 December 2022 was HKD10,000 (2021: HKD10,000) of which HKD5,000 (2021: HKD5,000) was payable to the Trustee as at 31 December 2022.

NOTES TO FINANCIAL STATEMENTS (continued)

7. DISTRIBUTIONS

There were no declaration of distribution to unitholders for the year ended 31 December 2022.

For the year ended 31 December 2021, the Fund made below distributions to HKD (dist) units class shareholders.

Date of Declaration	Number of Share	Dividend per Share HKD	Dividend HKD
1 April 2021	165,228,472.4394	0.15	24,784,271

8. TAXATION

The Fund is exempt from Hong Kong profits tax on profit arising from its authorised activities under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

Overseas withholding tax was charged on certain dividend and investment income received during the year.

9. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 HKD	2021 HKD
<u>Financial assets at fair value through profit or loss</u>		
- Listed equity securities	1,699,067,861	1,910,637,793
- Government bonds	78,064,000	406,924,400
- Forward contracts	478,396	151,250
	<u>1,777,610,257</u>	<u>2,317,713,443</u>
<u>Financial liabilities at fair value through profit or loss</u>		
- Forward contracts	226,518	314,128
Net changes in fair value on financial assets and liabilities at fair value through profit or loss		
Gross realised gains	250,077,927	934,750,519
Gross realised losses	(815,105,260)	(469,751,583)
Gross unrealised gains	247,024,401	89,787,615
Gross unrealised losses	(217,391,516)	(969,346,884)
Total losses	<u>(535,394,448)</u>	<u>(414,560,333)</u>

NOTES TO FINANCIAL STATEMENTS (continued)

9. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The following tables illustrate the fair value measurement hierarchy of the Fund's financial instruments:

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
2022				
<u>Financial assets at fair value through profit or loss</u>				
- Listed equity securities	1,699,067,861	-	-	1,699,067,861
- Government bonds	78,064,000	-	-	78,064,000
- Forward contracts	-	478,396	-	478,396
	<u>1,777,131,861</u>	<u>478,396</u>	<u>-</u>	<u>1,777,610,257</u>

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
2022				
<u>Financial liabilities at fair value through profit or loss</u>				
- Forward contracts	-	(226,518)	-	(226,518)

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
2021				
<u>Financial assets at fair value through profit or loss</u>				
- Listed equity securities	1,910,637,793	-	-	1,910,637,793
- Government bonds	406,924,400	-	-	406,924,400
- Forward contracts	-	151,250	-	151,250
	<u>2,317,562,193</u>	<u>151,250</u>	<u>-</u>	<u>2,317,713,443</u>

NOTES TO FINANCIAL STATEMENTS (continued)

9. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	Level 1	Level 2	Level 3	Total
	HKD	HKD	HKD	HKD
2021				
<u>Financial liabilities at fair value through profit or loss</u>				
- Forward contracts	-	<u>(314,128)</u>	-	<u>(314,128)</u>

There is no movement between Level 1, Level 2 and Level 3 instruments for the years ended 31 December 2022 and 2021.

As at 31 December 2022, the Fund's investments were listed equity securities, government bonds, and forward contracts while in 2021, the Fund's investments were listed equity securities, government bonds and forward contracts.

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund may use derivatives financial instruments for hedging and/or investment purposes (notwithstanding this, derivatives will not be extensively or primarily used for investment purposes). The Fund uses currency forward contracts for hedging the foreign currency exposure of any hedged class to the base currency, with the aim of reducing the impact of currency fluctuations of the relevant class currency against the base currency.

NOTES TO FINANCIAL STATEMENTS (continued)

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The following table shows the fair values of derivatives financial instruments, recorded as assets, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset or reference rate and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the reporting dates and are not indicative of either the market risk or the credit risk.

As at 31 December 2022	Assets	Liabilities	Notional Amount
	HKD	HKD	
Forward contracts	-	7,075	AUD144,000
Forward contracts	-	25,769	CNY42,780,000
Forward contracts	478,396	-	CNY15,827,000
Forward contracts	<u>-</u>	<u>193,674</u>	<u>CNY42,255,000</u>
	<u>478,396</u>	<u>226,518</u>	

As at 31 December 2021	Assets	Liabilities	Notional Amount
	HKD	HKD	
Forward contracts	1,055	-	AUD115,900
Forward contracts	150,195	-	CNY30,549,000
Forward contracts	-	131,244	CNY32,224,000
Forward contracts	<u>-</u>	<u>182,884</u>	<u>CNY49,453,000</u>
	<u>151,250</u>	<u>314,128</u>	

11. CASH AND CASH EQUIVALENTS

	2022	2021
	HKD	HKD
Cash at bank	<u>117,176,339</u>	<u>106,406,389</u>

As at 31 December 2022, the cash at bank of HKD117,176,339 (2021: HKD106,406,389) was held with Bank of China (Hong Kong) Limited at normal commercial rates. There was no time deposit as at 31 December 2022 and 31 December 2021.

NOTES TO FINANCIAL STATEMENTS (continued)

12. AMOUNTS DUE FROM/TO BROKERS

	2022	2021
	HKD	HKD
<u>Amounts due from brokers</u>		
Cash held with broker	37,052,743	33,410,901
Receivable for securities sold but not yet settled	<u>20,524,609</u>	<u>40,733,658</u>
	<u><u>57,577,352</u></u>	<u><u>74,144,559</u></u>
<u>Amounts due to brokers</u>		
Payable for securities purchased but not yet settled	<u>19,921,824</u>	<u>36,511,827</u>

13. UNITS IN ISSUE

The number of units in issue of the Fund is classified as financial liability. The units of the Fund have no par value.

2022	HKD	HKD (dist)	USD	AUD (hedged)	RMB (hedged)
	Units Class	Units Class	Units Class	Units Class	Units Class
At beginning of the year	312,644,523.3074	188,705,195.7247	96,340,073.5837	77,951.0578	73,073,018.9506
Issued during the year	32,756,233.0802	12,884,201.4968	21,894,648.5198	233,450.3271	45,814,025.7043
Redeemed during the year	<u>(58,366,726.8072)</u>	<u>(21,304,339.7390)</u>	<u>(17,331,848.4426)</u>	<u>(181,686.8247)</u>	<u>(31,873,233.4000)</u>
At the end of the year	<u>287,034,029.5804</u>	<u>180,285,057.4825</u>	<u>100,902,873.6609</u>	<u>129,714.5602</u>	<u>87,013,811.2549</u>
Net asset value per unit	<u>1.6271</u>	<u>0.9972</u>	<u>1.4781</u>	<u>1.1170</u>	<u>1.1658</u>
2021	HKD	HKD (dist)	USD	AUD (hedged)	RMB (hedged)
	Units Class	Units Class	Units Class	Units Class	Units Class
At beginning of the year	283,735,914.4361	143,740,973.5689	82,859,847.7726	102,247.1686	69,478,838.4746
Issued during the year	156,824,810.7833	52,740,775.6038	42,463,835.3624	3,111.6445	62,913,757.4429
Redeemed during the year	<u>(127,916,201.9120)</u>	<u>(7,776,553.4480)</u>	<u>(28,983,609.5513)</u>	<u>(27,407.7553)</u>	<u>(59,319,576.9669)</u>
At the end of the year	<u>312,644,523.3074</u>	<u>188,705,195.7247</u>	<u>96,340,073.5837</u>	<u>77,951.0578</u>	<u>73,073,018.9506</u>
Net asset value per unit	<u>2.0847</u>	<u>1.2777</u>	<u>1.8940</u>	<u>1.4840</u>	<u>1.5341</u>

NOTES TO FINANCIAL STATEMENTS (continued)

13. UNITS IN ISSUE (continued)

Unitholders who wish to subscribe or redeem their units in the Fund may do so on any dealing day which is (a) each business day, except any business day, determined at the Manager's discretion, on which any exchange or market on which a substantial portion of the Fund's investments is traded is closed or on which dealings are restricted or suspended; or (b) such other day as the Manager may determine from time to time with the approval of the Trustee.

A partial redemption of a holding of units in the Fund may be effected provided that such redemption will not result in the unitholder holding less than the minimum holding of units of a class, which is the lesser of 50,000 units of that class or units of that class with an aggregate net asset value of HKD50,000 (or its equivalent in another currency). The Manager has the right to compulsorily redeem any holding of Units which is less than such minimum holding. The Manager may, in its absolute discretion, waive the requirement for such minimum holding of units of any class, whether generally or in any particular case.

For HKD (dist) units class, it is the current intention of the Manager that distributions will be made on a semi-annual basis. Distributions will not be paid out of capital or effectively out of capital of the Fund. There is no guarantee that any distributions will be made and there is no target level of distribution payout. Any distributions payable (if any) will be automatically reinvested unless otherwise elected by the Unitholder.

For all other classes of units, it is the current intention of the Manager that distributions of income will not be made from the Fund.

14. SOFT COMMISSION ARRANGEMENT

The Manager has not entered into any soft commission arrangements for the Fund.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is subject to various risks as the Fund invested in underlying financial instruments during the period. The Manager's objective in managing the risks is to achieve a superior risk adjusted return. The Fund is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls.

The main risks associated with the financial assets and liabilities of the Fund are set out below:

- (a) Market risk
 - (i) *Price risk*

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

NOTES TO FINANCIAL STATEMENTS (continued)

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The table below shows the analysis of the equity securities by industry as of 31 December 2022.

	% of net assets 2022	% of net assets 2022
Consumer Discretionary	43.31%	30.80%
Consumer Staples	4.05%	3.48%
Health Care	13.73%	11.42%
Information Technology	2.63%	5.29%
Industrial	1.99%	9.55%
Materials	2.96%	6.91%
Communication Services	5.68%	0.00%
Real Estate	13.99%	8.80%
Others	4.07%	16.57%
Utilities	-	1.54%

The table below summarises the overall market exposure of the Fund's financial assets at fair value through profit or loss on the Fund's net asset value as at 31 December 2022 and 31 December 2021. The analysis is based on the assumptions that the underlying investments in listed securities and index futures increased/decreased by a reasonable possible shift, with all other variables held constant. However, this does not represent a prediction of the future movement in the corresponding key markets.

	Net assets at fair value through profit or loss (HKD)	Shift in underlying securities	Estimated possible change in net asset value (HKD)
2022			
Financial assets at fair value through profit or loss			
Listed securities	1,699,067,861	+/-20%	339,813,572
2021			
Financial assets at fair value through profit or loss			
Listed securities	1,910,637,793	+/-20%	382,127,559

NOTES TO FINANCIAL STATEMENTS (continued)

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) *Interest rate risk*

The below analysis is based on the assumptions that the interest rate increased/decreased by a reasonable shift in the interest rates, with all other variables held constant.

	Changes in interest rate (bps)		Estimated impact on net assets (HKD)	
	2021	2022	2021	2022
Interest rate	+/-100	+/-100	+/- 6,188,521	+/- 1,028,884

(iii) *Foreign currency risk*

Foreign currency risk is the risk that the value of financial assets or liabilities will fluctuate due to changes in foreign exchange rates. The Fund's direct exposure to foreign currency risk is minimal as substantial of the Fund's assets and liabilities are denominated in HKD.

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial assets and liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The markets in which the Fund invests may be relatively illiquid and the liquidity of these markets may fluctuate substantially over time. Investment of the Fund's assets in relatively illiquid securities may restrict the ability of the Fund to dispose of its investments at a price and time that it wishes. The risk of illiquidity also arises in the case of over-the-counter transactions. The Manager monitors the liquidity of the Fund by conducting liquidity testing on the investment portfolio on a monthly and ad-hoc basis. The objective of testing is to monitor liquidity of financial assets to meet the cash outflows on financial liabilities. As at 31 December 2022, the Fund held investments in listed securities and other liquid assets, including bank balances and amounts receivable on sales of financial assets and financial liabilities at fair value through profit or loss, we expect the majority of the assets to be able to liquidate within 7 days or less to generate cash inflows for managing liquidity risk.

NOTES TO FINANCIAL STATEMENTS (continued)

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Financial assets: Analysis of equity securities at fair value through profit or loss into maturity groupings based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which these assets will be realised.

Financial liabilities: The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counter party has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

The following table summarises the maturity profile of the Fund's financial assets and financial liabilities, based on the contractual undiscounted cash flows.

31 December 2022	On demand HKD	Less than 3 months HKD	3 to 12 months HKD	Other* HKD	Total HKD
Financial assets					
Financial assets at fair value through profit or loss	-	1,777,610,257	-	-	1,777,610,257
Amounts due from brokers	-	57,577,352	-	-	57,577,352
Cash and cash equivalents	117,176,339	-	-	-	117,176,339
Interest receivable	-	200,877	-	-	200,877
Subscription proceeds receivable	-	3,105,113	-	-	3,105,113
Dividend receivable	-	437,580	-	-	437,580
Total undiscounted financial assets	<u>117,176,339</u>	<u>1,838,931,179</u>	<u>-</u>	<u>-</u>	<u>1,956,107,518</u>
Financial liabilities					
Financial liabilities at fair value through profit or loss	-	226,518	-	-	226,518
Amounts due to brokers	-	19,921,824	-	-	19,921,824
Accounts payable, fees and accruals	3,644,970	-	-	-	3,644,970
Redemption proceeds payable	-	8,291,105	-	-	8,291,105
Net assets attributable to unitholders	-	-	-	1,924,023,101	1,924,023,101
Total undiscounted financial liabilities	<u>3,644,970</u>	<u>28,439,447</u>	<u>-</u>	<u>1,924,023,101</u>	<u>1,956,107,518</u>

NOTES TO FINANCIAL STATEMENTS (continued)

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

	On demand	Less than 3 months	3 to 12 months	Other*	Total
31 December 2021	HKD	HKD	HKD	HKD	HKD
Financial assets					
Financial assets at fair value through profit or loss	-	2,317,713,443	-	-	2,317,713,443
Amounts due from brokers	-	74,144,559	-	-	74,144,559
Cash and cash equivalents	106,406,389	-	-	-	106,406,389
Interest receivable	-	2,787,426	-	-	2,787,426
Subscription proceeds receivable	-	2,255,725	-	-	2,255,725
Dividend receivable	-	1,466,563	-	-	1,466,563
Total undiscounted financial assets	<u>106,406,389</u>	<u>2,398,367,716</u>	<u>-</u>	<u>-</u>	<u>2,504,774,105</u>
Financial liabilities					
Financial liabilities at fair value through profit or loss	-	314,128	-	-	314,128
Amounts due to brokers	-	36,511,827	-	-	36,511,827
Accounts payable, fees and accruals	4,450,399	-	-	-	4,450,399
Redemption proceeds payable	-	10,185,615	-	-	10,185,615
Net assets attributable to unitholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,453,341,944</u>	<u>2,453,341,944</u>
Total undiscounted financial liabilities	<u>4,450,399</u>	<u>47,011,570</u>	<u>-</u>	<u>2,453,341,944</u>	<u>2,504,803,913</u>

* See Note 13 for more details of the Fund's redemption terms on its redeemable participating units.

(c) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation.

The Fund is exposed to credit risk on its cash at bank, amounts due from the brokers, its investments placed with the broker and other receivables. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within cash at bank, amounts due from the brokers, its investments placed with the broker and other receivables.

It is the Fund's policy to enter into the financial instruments with reputable counterparties.

NOTES TO FINANCIAL STATEMENTS (continued)

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

The Fund placed all of the cash at bank and investments with the broker, Bank of China (Hong Kong) Limited, a reputable financial institution with credit rating of A+ or A-1 for long term debt or short-term debt respectively from Standard & Poor's.

The Fund's maximum exposure to credit risk in the event the counterparties fail to perform their obligations without taking account of any collateral held as of 31 December 2022 and 2021 in relation to each class of recognised financial assets is the carrying amount of those assets as disclosed in the statement of financial position.

The Manager continuously monitors the credit standing of its counterparties and does not expect any material losses as a result of this concentration.

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

Financial assets subject to IFRS 9's impairment requirements

The Fund's financial assets subject to the ECL model within IFRS 9 are amounts due from brokers, short-term receivables and cash and cash equivalents. At 31 December 2022 and 2021, no loss allowance had been provided. There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the period.

Financial assets not subject to IFRS 9's impairment requirements

The Fund is exposed to credit risk on its debt instruments measured at FVPL. These classes of financial assets are not subject to IFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets, under IFRS 9 represents the Fund's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

(d) Capital management

The Fund considers the redeemable participating units as the capital of the Fund. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholders' redemptions.

NOTES TO FINANCIAL STATEMENTS (continued)

16. EVENTS AFTER THE REPORTING PERIOD

a) HKD units class

During the period from 1 January 2023 to 31 March 2023, a total of 8,251,419.6831 units were subscribed and 16,886,311.9436 units were redeemed giving rise to total subscription proceeds of HKD13,928,907.20 and total redemption payments of HKD27,314,016.87.

b) HKD (dist) units class

During the period from 1 January 2023 to 31 March 2023, a total of 6,065,407.0540 units were subscribed and 9,061,391.0704 units were redeemed giving rise to total subscription proceeds of HKD5,944,050.00 and total redemption payments of HKD9,501,344.70.

c) USD units class

During the period from 1 January 2023 to 31 March 2023, a total of 5,725,411.2431 units were subscribed and 5,153,819.5935 units were redeemed giving rise to total subscription proceeds of HKD68,608,029 and total redemption payments of HKD61,489,976.32.

d) RMB (hedged) units class

During the period from 1 January 2023 to 31 March 2023, a total of 12,059,373.2754 units were subscribed and 11,400,815.2994 units were redeemed giving rise to total subscription proceeds of HKD16,257,292.54 and total redemption payments of HKD15,797,283.16.

e) AUD (hedged) units class

During the period from 1 January 2023 to 31 March 2023, a total of 2,154.1744 units were subscribed and nil units were redeemed giving rise to total subscription proceeds of HKD12,182.12 and total redemption payments of nil.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 19 April 2023.

INVESTMENT PORTFOLIO (UNAUDITED)

31 December 2022

SECURITIES NAME	Number of Shares/ Notional Amount	Fair value as of 31 December 2022	% of Net Asset Value
		HKD	%
LISTED EQUITIES			
China			
Hangzhou Robam Appliances Co Ltd., – A	1,229,143	38,188,234	1.98
Jiangsu Hengli Hydraulic Co Ltd – A	541,319	38,259,063	1.99
Kweichow Moutai Co Ltd., – A	40,275	77,845,872	4.04
Longi Green Energy Technology Co Ltd – A	1,068,280	50,526,858	2.63
Shenzhen Mindray Bio-Medical Electronics Co Ltd–A	206,500	73,025,344	3.80
Wanhua Chemical Group Co Ltd – A	548,627	<u>56,889,262</u>	<u>2.96</u>
		<u>334,734,633</u>	<u>17.40</u>
Hong Kong			
Alibaba Group Holding Ltd. – SW	1,686,300	145,443,375	7.55
Anta Sports Products Ltd.	912,200	93,318,060	4.85
Antengene Corporation Ltd	6,324,000	32,568,600	1.69
BeiGene, Ltd.	612,100	82,143,820	4.27
Bosideng International Holdings Ltd.	9,724,000	36,076,040	1.88
Chow Tai Fook Jewellery Group Ltd.	3,232,000	51,453,440	2.67
Country Garden Services Holdings Co. Ltd.	5,205,000	101,185,200	5.26
Galaxy Entertainment Group Ltd.	1,313,000	67,750,800	3.52
Haier Smart Home Co., Ltd – H	1,772,400	47,145,840	2.45
JD.com Inc	295,350	65,036,070	3.38
Li Ning Company Limited	1,406,000	95,256,500	4.95
Link Real Estate Investment Trust	1,694,858	97,115,363	5.05
Samsonite International S.A.	3,630,000	74,596,500	3.88
Sands China Ltd.	744,800	19,290,320	1.00
S-Enjoy Service Group Co., Ltd.	7,697,000	70,812,400	3.68
Shenzhen International Group Holdings Ltd.	1,133,200	99,494,960	5.17
Tencent Holdings Ltd.	327,000	109,218,000	5.68
WuXi Biologics (Cayman) Inc.	719,000	<u>43,032,150</u>	<u>2.24</u>
		<u>1,330,937,438</u>	<u>69.17</u>
FIXED INCOME SECURITIES			
Hong Kong			
Hong Kong SAR 2.35% 23/5/2024	80,000,000	<u>78,064,000</u>	<u>4.06</u>
		<u>78,064,000</u>	<u>4.06</u>

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

31 December 2022

SECURITIES NAME	Number of Shares/ Notional Amount	Fair value as of 31 December 2022	% of Net Asset Value
DEPOSITARY RECEIPT		HKD	%
United States			
Zai Lab Ltd – ADR	139,513	<u>33,395,790</u>	<u>1.74</u>
		<u>33,395,790</u>	<u>1.74</u>
FOREIGN CURRENCY FORWARDS			
Bank of China (Hong Kong) Limited - Buy AUD 144,000 / Sell HKD 768,729.60 06/01/2023		(7,075)	-
Bank of China (Hong Kong) Limited - Buy CNY 42,780,000 / Sell HKD 47,922,156 06/01/2023		(25,769)	-
Bank of China (Hong Kong) Limited - Buy CNY 15,827,000 / Sell HKD 17,256,178.10 20/01/2023		478,396	0.02
Bank of China (Hong Kong) Limited - Buy CNY 42,255,000 / Sell HKD47,620,117.35 17/02/2023		<u>(193,674)</u>	<u>(0.01)</u>
		<u>251,878</u>	<u>0.01</u>
Total financial assets and liabilities at fair value through profit and loss (cost: HKD1,904,072,427)		1,777,383,739	92.38
Other net assets		<u>146,639,362</u>	<u>7.62</u>
NET ASSETS AS AT 31 DECEMBER 2022		<u>1,924,023,101</u>	<u>100.00</u>

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

31 December 2022

	Exposures (%) 2022	Exposures (%) 2021
Listed equities		
Consumer Discretionary	43.31%	30.80%
Consumer Staples	4.05%	3.48%
Health Care	13.73%	11.42%
Information Technology	2.63%	5.29%
Industrial	1.99%	9.55%
Materials	2.96%	6.91%
Communication Services	5.68%	0.00%
Real Estate	13.99%	8.80%
Others	4.07%	16.57%
Utilities	-	1.54%
	<u>92.41%</u>	<u>94.36%</u>

INVESTMENT ACTIVITIES (UNAUDITED)

31 December 2022

	Purchase (HKD million) 2022	Sale (HKD million) 2022
Listing Country		
China	630.43	573.06
Hong Kong	7,838.76	7,887.79
Taiwan	122.71	106.04
United States	106.33	147.42
	<u>8,698.23</u>	<u>8,714.31</u>

PERFORMANCE TABLE (UNAUDITED)

31 December 2022

NET ASSET VALUES (“NAV”) - Published NAV

NAV per unit

Year	NAV of the Fund (HKD)	HKD Units Class (HKD)	HKD (dist) Units Class (HKD)	USD Units Class (USD)	AUD (hedged) Units Class (AUD)	RMB (hedged) Units Class (RMB)
2022	1,923,460,615	1.6272	0.9972	1.4782	1.1171	1.1659
2021	2,453,341,944	2.0847	1.2777	1.8940	1.4840	1.5341
2020	2,545,677,502	2.4749	1.6643	2.2613	1.7918	1.8197

PERFORMANCE RECORD

Highest issue price per unit

Year	HKD Units Class (HKD)	HKD (dist) Units Class (HKD)	USD Units Class (USD)	AUD (hedged) Units Class (AUD)	RMB (hedged) Units Class (RMB)
2022	2.0805	1.2751	1.8903	1.4799	1.5312
2021	2.8010	1.8833	2.5579	2.0245	2.0568
2020	2.4749	1.6643	2.2613	1.7918	1.8197
2019	1.6696	1.1310	1.5202	1.2522	1.2446
2018	2.1255	1.5204	1.9278	1.6208	1.5774
2017	2.0455	1.4618	1.8458	1.5516	1.5400
2016	1.4808	1.1149	1.3472	1.1444	1.1840
2015	1.7057	1.2899	1.5517	1.3279	1.3568
2014	1.3991	1.0799	1.2859	1.0968	1.1023
2013	1.3778	-	1.2664	-	-

PERFORMANCE TABLE (UNAUDITED)

PERFORMANCE RECORD (continued)

Lowest issue price per unit

Year	HKD Units Class (HKD)	HKD (dist) Units Class (HKD)	USD Units Class (USD)	AUD (hedged) Units Class (AUD)	RMB (hedged) Units Class (RMB)
2022	1.2462	0.7638	1.1245	0.8664	0.9040
2021	2.0526	1.2580	1.8639	1.4606	1.5109
2020	1.3620	0.9226	1.2437	1.0027	1.0102
2019	1.3160	0.8915	1.1889	0.9998	0.9889
2018	1.3196	0.8939	1.1943	1.0071	1.0076
2017	1.3860	1.0415	1.2589	1.0678	1.1088
2016	1.1866	0.8915	1.0693	0.9187	0.9512
2015	1.2271	0.9220	1.1156	0.9522	0.9828
2014	1.2153	0.9580	1.1173	0.9713	0.9745
2013	1.1810	-	1.0868	-	-

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

31 December 2022

Below is the summary of gross exposure and net derivative exposure arising from the use of financial derivative instruments for the years ended 31 December 2022 and 2021.

Gross exposure

	2022	2021
Lowest	5.23%	4.87%
Highest	25.51%	19.40%
Average	10.48%	9.55%

Net derivative exposure

	2022	2021
Lowest	0.00%	0.00%
Highest	0.33%	0.78%
Average	0.06%	0.08%