



# VALUE PARTNERS CLASSIC FUND

# 2023

SEMI ANNUAL  
REPORT

For the six months ended  
30 June 2023



**Value Partners Hong Kong 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](mailto:vpl@vp.com.hk)

Website: [www.valuepartners-group.com](http://www.valuepartners-group.com)



**CONTENTS**

	<i>Pages</i>
General information	2-4
Manager's report	5-12
Statement of financial position (unaudited)	13-14
Statement of comprehensive income (unaudited)	15-16
Statement of changes in net assets attributable to unitholders (unaudited)	17-19
Statement of cash flows (unaudited)	20-21
Investment portfolio (unaudited)	22-26
Investment portfolio movements (unaudited)	27
Details in respect of financial derivative instruments (unaudited)	28-31
Distributions to redeemable participating shareholders (unaudited)	32

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## GENERAL INFORMATION

### Manager

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

### Directors of the Manager

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

### Trustee, Administrator and Custodian

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

### Registrar

HSBC Trustee (Cayman) Limited

#### *Principal address:*

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

#### *Registered address:*

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

### Legal Advisor

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

### Auditor

PricewaterhouseCoopers  
22nd Floor, Prince's Building  
10 Chater Road, Central  
Hong Kong

### Information available from:

Value Partners Hong Kong 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](mailto:fis@vp.com.hk)

Website : [www.valuepartners-group.com](http://www.valuepartners-group.com)

**GENERAL INFORMATION (Continued)****Recent awards and achievements**

<b>Fund awards</b>	
<b>2021</b>	<ul style="list-style-type: none"><li>• <b>Golden Bull Overseas China Equity Fund (One Year)</b> <b>2021 The 5th Overseas Fund Golden Bull Fund Awards</b> – <i>China Securities Journal</i></li></ul>
<b>2020</b>	<ul style="list-style-type: none"><li>• <b>Golden Bull Overseas China Equity Fund (1-Year)</b> <b>The Overseas Fund Golden Bull Fund Awards 2020 &amp; 2021</b> – <i>China Securities Journal</i></li></ul>
<b>2017</b>	<ul style="list-style-type: none"><li>• <b>AsiaHedge Awards 2017</b> <b>Best Asia ex-Japan Fund</b> – <i>AsiaHedge</i></li><li>• <b>HFM Asia Performance Awards 2017</b> <b>Fund of the Year 2017</b> <b>Best Greater China fund over US\$500 million</b> – <i>HFM Week</i></li></ul>

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### GENERAL INFORMATION (Continued)

#### Recent awards and achievements (Continued)

##### Corporate awards

- |             |   |
|-------------|---|
| <b>2023</b> | <ul style="list-style-type: none"><li>• <b>The Lifetime Achievement Award</b><br/><b>Winner: Dato' Seri Cheah Cheng Hye</b><br/><i>- Asia Asset Management</i></li><li>• <b>ESG Leading Enterprise Awards of the Year 2022/2023</b><br/><b>Outstanding performance in Environmental, Social, and Governance ("ESG") initiatives</b><br/><i>- Master-Insight</i></li><li>• <b>Best Exchange Traded Fund (ETF) Issuer 2022</b><br/><b>Winner: Value Partners Malaysia</b><br/><i>- Bursa Malaysia Award</i></li></ul> |
| <b>2022</b> | <ul style="list-style-type: none"><li>• <b>Asian Private Banker Asset Management Awards for Excellence 2022</b><br/><b>Best Fund Provider - Multi-Asset Solution</b><br/><i>- Asian Private Banker</i></li><li>• <b>2022 China Rankings Top 25 Foreign Firms in China</b><br/><b>Value Partners is ranked in the 16th</b><br/><i>- Z-Ben Advisor</i></li><li>• <b>AsianInvestor Asset Management Awards 2022</b><br/><b>Asset Class Awards: Asia ex-Japan equity</b><br/><i>- Asianinvestor</i></li></ul>           |
| <b>2021</b> | <ul style="list-style-type: none"><li>• <b>Asian Private Banker Asset Management Awards for Excellence 2021</b><br/><b>Best Fund Provider - High Yield Bond</b><br/><i>- Asian Private Banker</i></li><li>• <b>Listed Company Awards of Excellence 2021</b><br/><b>Value Partners Group Limited: Outstanding Listed Company</b><br/><i>- Hong Kong Economic Journal</i></li></ul>   |

## MANAGER'S REPORT

### Market review:

During the second quarter, the Value Partners Classic Equity Fund recorded losses of 6.3%, while the MSCI Golden Dragon Index was down 5.2%, dragged by softened macroeconomic indicators as China's post-Covid recovery lost momentum. For the six months ending 30 June 2023, the Fund was down 2.5%, while the MSCI Golden Dragon Index performed 0.9%.<sup>1</sup>

China's official manufacturing PMI fell below the 50-level threshold for three consecutive months in the second quarter. The country's consumer price index (CPI) was also at anemic levels, posing threats of deflation, while exports also declined in May, reversing a surprisingly positive growth in the previous two months. Within the property sector, new home sales also weakened in June. Adding to the market's worries include the youth unemployment rate (aged 16-24) rising to a record high and the weakening renminbi relative to the US dollar.

On a positive note, the government gave signals towards the end of the quarter that economic growth remains a key priority, with various easing measures to support the country's recovery. In June, the one- and five-year loan prime rates (LPRs), which are the reference rates for corporate loans and mortgages, respectively, were cut by 10bps. That said, expectations for more sizable stimulus packages, particularly targeting the property market, have not been met.

On the geopolitical front, communications between senior officials of China and the US, including the US State Secretary Blinken's visit to Beijing, indicate intentions of smoothening tensions. Meanwhile, Premier Li Qiang, who gave a keynote speech at the World Economic Forum, rejected the West's increasing rhetoric of "de-risking" from China and instead called for greater global cooperation. However, although these may help prevent tensions from further escalating, we have yet to see concrete steps to ease tensions.

### Portfolio review:

From an absolute performance basis, the main detractor came from our holdings in the consumer discretionary sector, including internet and sportswear brand names, which were dragged by the softening consumer demand in China. Similarly, our exposure to financials, real estate, and consumer staples also detracted, given China's overall weakening post-Covid recovery momentum.

On the other hand, our exposure to select technology names in Taiwan was among the top contributors to the Fund's performance, given the sustained optimism toward the electronic sector, partly driven by the growing investments in artificial intelligence (AI). Our exposure to communications services also supported the Fund's performance, led by Chinese telecommunication operators, which were bolstered by expectations of SOE reforms. A traditional Chinese medicine (TCM) provider also supported the Fund's performance during the period, given the normalizing demand for healthcare services in China.

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## MANAGER'S REPORT (Continued)

### Outlook:

Most market participants are looking forward to a Politburo meeting in July for any stimulus measures. However, we are more conservative about expectations of any large-scale stimulus during the meeting as top Chinese officials may still focus on institutional reforms. Nonetheless, more policies targeting structural reforms may only be unveiled during the third plenum and the National Financial Work Conference, which are usually held later in the year. In light of this, we expect volatility to remain in the near term.

Against this backdrop, we believe our long-held approach to identifying and investing in high-quality companies offers the best way to be more resilient against volatility and downside risks. We continue to focus on companies that generate sustainable returns to investors, especially those well-positioned to capture long-term secular trends, including consumption growth, internet services turnaround, technology innovation, and the growing demand for wealth management services in China.

### Value Partners Investment Team

21 August 2023

Source:

1. MSCI, 30 June 2023

*Fund performance mentioned referred to Value Partners Classic Fund "A" Unit. All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg (Data computed in US\$ terms on NAV-to-NAV basis with dividends reinvested) as at 30 June 2023. Performance data is net of all fees. Individual stock performance is not indicative of fund performance.*



**MANAGER’S REPORT (Continued)**

**10 largest holdings of securities as at 30 June 2023**

<b>Stock</b>	<b>Industry</b>	<b>Valuation (2023 Estimates)</b>	<b>Remarks</b>
Taiwan Semiconductor Manufacturing (Code: 2330 TT)  Market cap: US\$479.5 billion	Semiconductors and semiconductor equipment	Price: TWD576.0 P/E: 18.4x P/B: 4.2x Yield: 2.1%	Taiwan Semiconductor Manufacturing is a world-class independent semiconductor foundry. It provides integrated circuit (IC) design houses with integrated services for process design, wafer manufacturing and testing. As a global leader with more than 50% share of the outsourcing market, the Company has consistently outperformed competitors in technology and profitability. We think the Company is well-positioned to continue to benefit from the growing IC manufacturing outsourcing market and the rising demand for the Internet of things trend, AI chips and new application areas.
Tencent Holdings (Code: 700 HK)  Market cap: US\$406.1 billion	Media and entertainment	Price: HK\$331.60 P/E: 20.7x P/B: 3.5x Yield: 0.6%	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.

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### MANAGER'S REPORT (Continued)

#### 10 largest holdings of securities as at 30 June 2023 (Continued)

Stock	Industry	Valuation (2023 Estimates)	Remarks
Meituan (Code: 3690 HK)  Market cap: US\$97.4 billion	Retailing	Price: HK\$122.3 P/E: 44.2x P/B: 5.8x Yield: 0.0%	Meituan is China's group buying website offering food delivery and hotel booking services at the same time. Established in Beijing and listed in Hong Kong, Meituan has grown as one of China's biggest e-commerce platforms. China's addressable consumer services market offers one of the most visible growth prospects within the Internet sector. Meituan's leading position in multiple high-frequency categories and a large user base of over 650 million provide good cross-selling opportunities.
Kweichow Moutai (Code: 600519 CH)  Market cap: US\$292.8 billion	Food, beverage and tobacco	Price: CNY1,691.0 P/E: 32.1x P/B: 10.1x Yield: 1.6%	Kweichow Moutai is China's largest liquor manufacturer in terms of market value. With its premium brand positioning and effective channel management, Moutai has successfully expanded its market share in private consumption in the past years after a considerable decline in official consumption. It has a distinguished brand among other players in China and is expected to benefit from the consumption upgrade cycle.
Ping An Insurance Group (Code: 2318 HK)  Market cap: US\$116.2 billion	Diversified financials	Price: HK\$49.85 P/E: 6.8x P/B: 0.9x Yield: 5.2%	Ping An Insurance is a financial conglomerate that provides insurance, banking, securities, trust and asset management services in China. Ping An has been delivering strong premium and New Business Value growth, thanks to its superior agency force and multi-product platform.

**MANAGER’S REPORT (Continued)**

**10 largest holdings of securities as at 30 June 2023 (Continued)**

<b>Stock</b>	<b>Industry</b>	<b>Valuation (2023 Estimates)</b>	<b>Remarks</b>
AIA Group (Code: 1299 HK)  Market cap: US\$116.9 billion	Insurance	Price: HK\$79.1 P/E: 16.7x P/B: 2.4x Yield: 2.2%	AIA is the largest independent publicly listed pan-Asian life insurance group – with a presence in 18 markets across the Asia-Pacific region. We expect AIA China to deliver superior new business growth as the company’s protection-oriented business in China is more resilient than most of its domestic peers. China’s insurance regulator has also eased restrictions on foreign shareholding in joint venture life insurance companies. This will provide further long-term growth potential for AIA in China.
Pinduoduo (Code: PDD US)  Market cap: US\$87.4 billion	Retailing	Price: US\$69.14 P/E: 20.8x P/B: 6.8x Yield: 0.0%	Pinduoduo operates an e-commerce platform, which offers value-for-money merchandise and interactive shopping options. Resembling a virtual bazaar, the platform sells a suite of product categories from apparel and shoes to fresh produce and electronic appliances.
Beijing TongRenTang Chinese Medicine (Code: 3613 HK)  Market cap: US\$1.5 billion	Pharmaceuticals, biotechnology and life sciences	Price: HK\$14.34 P/E: 15.8x P/B: 3.0x Yield: 3.4%	Beijing TongRenTang engages in the wholesale and retail sales of traditional Chinese medicines (TCM) in Hong Kong, Macau, and other markets, with about 70 retail outlets in more than 20 countries and regions. The company continues to strengthen its brand with new premium products, and continues to expand with new retail stores and geographical markets.

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### MANAGER'S REPORT (Continued)

#### 10 largest holdings of securities as at 30 June 2023 (Continued)

Stock	Industry	Valuation (2023 Estimates)	Remarks
SIIC Environment Holdings (Code: 807 HK)  Market cap: US\$0.4 billion	Utilities	Price: HK\$1.32 P/E: N/A P/B: N/A Yield: N/A	SIIC Environment is a leading player in China's water and environmental markets. It is engaged in wastewater treatment, water supply, sludge treatment, solid waste incineration, and other environmental-related businesses. It has about 250 water treatment and supply projects, among others, across 20 municipalities and provinces in China, and continues to expand its businesses and explore opportunities in other environmental-related markets.
China Telecom Corp Ltd (Code: 728 HK)  Market cap: US\$66.9 billion	Telecom services	Price: HK\$3.75 P/E: 10.8x P/B: 0.7x Yield: 6.5%	China Telecom (CT) is one of the three nationwide telecom operators in China, and the incumbent fixed line carrier in the southern provinces.  The telecom industry revenue continued to show improving dynamics. CT is benefitting from the higher pricing for 5G and better competitive environment.  We also believe more value should be ascribed to the IDC (Internet Data Center) and Cloud business of telcos. "Industrial Digitalization" is a good growth driver for the telcos, especially for CT as an incumbent fixed line operator.

*Note: The above investments made up 56% of Value Partners Classic Fund as at 30 June 2023. The stock prices are based on the closing of 30 June 2023.*

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

**MANAGER'S REPORT (Continued)**

**Value Partners Classic Fund – NAV as at 30 June 2023**

<b>Classes</b>	<b>NAV per unit</b>
A Units	USD338.06
B Units	USD147.69
C Units USD	USD18.48
C Units HKD <sup>B</sup> (for reference only)	HKD144.80
C Units RMB	RMB13.87
C Units AUD Hedged	AUD13.50
C Units CAD Hedged	CAD13.89
C Units HKD Hedged	HKD12.06
C Units NZD Hedged	NZD14.28
C Units RMB Hedged	RMB12.71
C Units MDis USD	USD7.59
C Units MDis HKD	HKD7.60
C Units MDis RMB	RMB8.04
C Units MDis RMB Hedged	RMB7.20
P Units classes USD	USD7.5141
P Units classes RMB Hedged	RMB9.4131
P Units classes RMB Unhedged	RMB10.1765
X Units	USD10.87
Z Units	USD10.09

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## MANAGER'S REPORT (Continued)

### Performance since launch

From 1 April 1993 to 30 June 2023



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

**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

AS AT 30 JUNE 2023

	<b>30.06.2023</b>	<b>31.12.2022</b>
	<i>US\$</i>	<i>US\$</i>
<b>Assets</b>		
<b>Current assets</b>		
Financial assets at fair value through profit or loss	943,492,972	1,040,633,332
Amounts receivable on sales of investments	10,997,663	20,722,391
Amounts receivable on issue of units	257,509	580,660
Dividends, interest and other receivables	4,846,457	424,565
Margin deposit	29	28
Bank balances	5,104,760	29,624,027
	<u>964,699,390</u>	<u>1,091,985,003</u>
<b>Total assets</b>	----- 964,699,390	----- 1,091,985,003
<b>Liabilities</b>		
<b>Current liabilities</b>		
Financial liabilities at fair value through profit or loss	654,593	16,374
Amounts payable on purchase of investments	-	5,115,599
Amounts payable on redemption of units	1,341,721	1,100,490
Management fees payable	907,202	996,425
Distributions payable to unitholders	178,157	222,507
Bank overdrafts	791,635	46,965,289
Accruals and other payables	166,112	435,929
	<u>4,039,420</u>	<u>54,852,613</u>
<b>Liabilities (excluding net assets attributable to unitholders)</b>	----- 4,039,420	----- 54,852,613
<b>Net assets attributable to unitholders</b>	<u>960,659,970</u>	<u>1,037,132,390</u>

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## STATEMENT OF FINANCIAL POSITION (UNAUDITED) (Continued)

AS AT 30 JUNE 2023

	30.06.2023	31.12.2022
<b>Net asset value per unit</b>		
- A Units with 630,637 (31.12.2022: 636,863) units outstanding	USD338.06	USD346.90
- B Units with 1,036,080 (31.12.2022: 1,082,268) units outstanding	USD147.69	USD151.92
- C Units USD with 20,789,063 (31.12.2022: 22,401,704) units outstanding	USD18.48	USD19.01
- C Units RMB with 508,708 (31.12.2022: 475,062) units outstanding	RMB13.87	RMB13.65
- C Units AUD Hedged with 2,982,399 (31.12.2022: 2,898,511) units outstanding	AUD13.50	AUD14.11
- C Units CAD Hedged with 962,601 (31.12.2022: 899,237) units outstanding	CAD13.89	CAD14.40
- C Units HKD Hedged with 5,946,448 (31.12.2022: 7,838,933) units outstanding	HKD12.06	HKD12.52
- C Units NZD Hedged with 692,998 (31.12.2022: 857,423) units outstanding	NZD14.28	NZD14.83
- C Units RMB Hedged with 6,313,090 (31.12.2022: 5,342,595) units outstanding	RMB12.71	RMB13.30
- C Units MDis USD with 3,678,146 (31.12.2022: 4,289,398) units outstanding	USD7.59	USD7.92
- C Units MDis HKD with 36,306,327 (31.12.2022: 32,512,252) units outstanding	HKD7.60	HKD7.90
- C Units MDis RMB with 356,037 (31.12.2022: 392,768) units outstanding	RMB8.04	RMB7.99
- C Units MDis RMB Hedged with 18,162,854 (31.12.2022: 21,055,741) units outstanding	RMB7.20	RMB7.61
- P Units classes USD with 72,070 (31.12.2022: 70,375) units outstanding	USD7.5141	USD7.7309
- P Units classes RMB Hedged with 21,194,538 (31.12.2022: 19,077,485) units outstanding	RMB9.4131	RMB9.8577
- P Units classes RMB Unhedged with 1,754,192 (31.12.2022: 1,959,414) units outstanding	RMB10.1765	RMB10.0194
- X Units with 13,566 (31.12.2022: 40,036) units outstanding	USD10.87	USD11.11
- Z Units with 3,402,918 (31.12.2022: 3,442,918) units outstanding	USD10.09	USD10.36

Note: The semi-annual report has applied the same accounting policies and methods of computation as are applied in the annual report of the Fund for the year ended 31 December 2022.



**VALUE PARTNERS CLASSIC FUND**

(A Hong Kong Unit Trust)

**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	<b>30.06.2023</b>	<b>30.06.2022</b>
	US\$	US\$
<b>Income</b>		
Dividends	11,281,819	15,492,830
Interest on bank deposits	59,433	2,815
Net realised losses on investments	(31,466,243)	(144,974,772)
Change in unrealised losses on Investments	(1,451,948)	(198,569,696)
Net foreign exchange losses	(181,485)	(1,695,478)
Other income	27,740	13,091
	<u>(21,730,684)</u>	<u>(329,731,210)</u>
<b>Expenses</b>		
Management fees <sup>Note 2</sup>	(5,898,182)	(6,948,839)
Trustee and fund administration fees <sup>Note 1</sup>	(621,273)	(718,802)
Transaction costs <sup>Note 1</sup>	(2,463,613)	(2,149,459)
Interest expenses <sup>Note 1</sup>	(460,490)	(354,935)
Stock borrowing fees <sup>Note 1</sup>	-	(3,183)
Safe custody and bank charges <sup>Note 1</sup>	(128,904)	(139,691)
Legal and professional fees	(28,872)	(51,297)
Auditor's remuneration	(20,950)	(21,027)
Other operating expenses <sup>Note 1</sup>	(493,872)	(712,666)
	<u>(10,116,156)</u>	<u>(11,099,899)</u>
<b>Loss before tax</b>	(31,846,840)	(340,831,109)
Withholding tax on dividends and other investment income	<u>(940,481)</u>	<u>(1,395,612)</u>
<b>Loss after tax and before distributions</b>	(32,787,321)	(342,226,721)
Distributions to Unitholders	<u>(1,193,924)</u>	<u>(1,644,570)</u>
<b>Decrease in net assets attributable to unitholders from operations</b>	<u>(33,981,245)</u>	<u>(343,871,291)</u>

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

Note 1 During the periods ended 30 June 2023 and 2022, other than trustee and fund administration fees, interest expenses, stock borrowing fees, safe custody and bank charges that were paid to the Trustee or its connected persons, other respective amounts paid to the Trustee or its connected persons were as follows:

	<b>30.06.2023</b>	<b>30.06.2022</b>
	<i>US\$</i>	<i>US\$</i>
Transaction costs	(16,217)	(124,329)
Other operating expenses	(133,786)	(157,228)

Note 2 During the periods ended 30 June 2023 and 2022, other than management fees that paid to Manager, no other amounts paid to the Manager or its connected persons.

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

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	<b>30.06.2023</b> <i>US\$</i>	<b>30.06.2022</b> <i>US\$</i>
<b>Net assets attributable to unitholders as at 1 January</b>	1,037,132,390	1,521,786,981
Issue of units	55,029,930	77,235,300
Redemption of units	(97,521,105)	(100,032,162)
<b>Net decrease from unit transactions</b>	(42,491,175)	(22,796,862)
Loss after tax and before distributions	(32,787,321)	(342,226,721)
Distributions to unitholders	(1,193,924)	(1,644,570)
<b>Decrease in net assets attributable to unitholders from operations</b>	(33,981,245)	(343,871,291)
<b>Net assets attributable to unitholders as at 30 June</b>	960,659,970	1,155,118,828

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

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

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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

Number of units	As at 1 January 2023	Issue of units	Redemption of units	As at 30 June 2023
A Units	636,863	-	(6,226)	630,637
B Units	1,082,268	7,134	(53,322)	1,036,080
C Units USD	22,401,704	1,043,530	(2,656,171)	20,789,063
C Units RMB	475,062	33,670	(24)	508,708
C Units AUD Hedged	2,898,511	552,749	(468,861)	2,982,399
C Units CAD Hedged	899,237	177,352	(113,988)	962,601
C Units HKD Hedged	7,838,933	1,311,627	(3,204,112)	5,946,448
C Units NZD Hedged	857,423	143,978	(308,403)	692,998
C Units RMB Hedged	5,342,595	1,411,415	(440,920)	6,313,090
C Units MDis USD	4,289,398	140,272	(751,524)	3,678,146
C Units MDis HKD	32,512,252	7,298,389	(3,504,314)	36,306,327
C Units MDis RMB	392,768	27,918	(64,649)	356,037
C Units MDis RMB Hedged	21,055,741	2,496,493	(5,389,380)	18,162,854
P Units classes USD	70,375	1,695	-	72,070
P Units classes RMB Hedged	19,077,485	4,082,820	(1,965,767)	21,194,538
P Units classes RMB Unhedged	1,959,414	309,360	(514,582)	1,754,192
X Units	40,036	5,172	(31,642)	13,566
Z Units	3,442,918	59,000	(99,000)	3,402,918

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

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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

<b>Number of units</b>	<b>As at 1 January 2022</b>	<b>Issue of units</b>	<b>Redemption of units</b>	<b>As at 30 June 2022</b>
A Units	645,235	-	(5,340)	639,895
B Units	1,167,383	7,230	(54,659)	1,119,954
C Units USD	23,365,010	1,715,181	(1,882,506)	23,197,685
C Units RMB	633,290	281	(121,849)	511,722
C Units AUD Hedged	3,116,453	442,593	(287,327)	3,271,719
C Units CAD Hedged	910,869	108,525	(134,844)	884,550
C Units HKD Hedged	7,920,383	610,419	(533,241)	7,997,561
C Units NZD Hedged	804,730	267,166	(239,843)	832,053
C Units RMB Hedged	5,683,867	319,404	(909,326)	5,093,945
C Units MDis USD	4,245,615	792,102	(370,759)	4,666,958
C Units MDis HKD	31,099,083	4,363,936	(2,332,455)	33,130,564
C Units MDis RMB	282,409	75,596	(80,712)	277,293
C Units MDis RMB Hedged	12,619,490	5,834,595	(513,080)	17,941,005
P Units classes USD	-	63,060	-	63,060
P Units classes RMB Hedged	32,997,742	1,641,344	(14,000,243)	20,638,843
P Units classes RMB Unhedged	2,157,715	285,472	(456,453)	1,986,734
X Units	50,243	24,938	(31,968)	43,213
Z Units	2,790,438	-	(317,606)	2,472,832

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	30.06.2023	30.06.2022
	US\$	US\$
<b>Cash flows from operating activities</b>		
Decrease in net assets attributable to unitholders from operations	(33,981,245)	(343,871,291)
Adjustments for:		
Dividends and interest on bank deposits	(11,341,252)	(15,495,645)
Interest expenses	460,490	354,935
Stock borrowing fees	-	3,183
Withholding tax on dividends and other investment income	940,481	1,395,612
Distributions to unitholders	1,193,924	1,644,570
	<u>(42,727,602)</u>	<u>(355,968,636)</u>
Decrease in financial assets at fair value through profit or loss	97,140,360	329,355,206
Increase in financial liabilities at fair value through profit or loss	638,219	223,364
Increase in margin deposit	(1)	-
Decrease in amounts receivable on sales of investments	9,724,728	10,801,019
(Decrease)/increase in amounts payable on purchase of investments	(5,115,599)	2,406,031
Decrease/(increase) in other receivables	1,092	(1,648)
(Decrease)/increase in bank overdrafts	(46,173,654)	12,058,810
Decrease in management fees payable	(89,223)	(391,386)
Decrease in accruals and other payables	(25,589)	(90,178)
	<u>13,372,731</u>	<u>(1,607,418)</u>
Cash generated from/(used in) operations	13,372,731	(1,607,418)
Dividends and interest on bank deposits received	5,977,787	10,774,896
Interest expenses paid	(704,718)	(352,304)
Stock borrowing fees paid	-	(3,183)
	<u>18,645,800</u>	<u>8,811,991</u>
<b>Net cash inflow from operating activities</b>	----- 18,645,800	----- 8,811,991

**STATEMENT OF CASH FLOWS (UNAUDITED) (Continued)**

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	<b>30.06.2023</b>	<b>30.06.2022</b>
	<i>US\$</i>	<i>US\$</i>
<b>Cash flows from financing activities</b>		
Distributions paid to unitholders	(1,238,274)	(1,604,654)
Proceeds from issue of units	55,353,081	109,310,563
Payments on redemption of units	<u>(97,279,874)</u>	<u>(100,942,765)</u>
<b>Net cash (outflow)/inflow from financing activities</b>	----- (43,165,067)	----- 6,763,144
<b>Net (decrease)/increase in cash and cash equivalents</b>	(24,519,267)	15,575,135
Cash and cash equivalents as at 1 January	<u>29,624,027</u>	<u>17,072,649</u>
<b>Cash and cash equivalents as at 30 June, representing bank balances</b>	<u><u>5,104,760</u></u>	<u><u>32,647,784</u></u>

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 JUNE 2023

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
<b>Listed equity securities</b>			
<b>China</b>			
Contemporary Amperex Technology Co Ltd A Shares (SZHK)	439,660	13,835,717	1.44
East Money Information Co Ltd A Shares (SZHK)	4,669,515	9,120,272	0.95
Hongfa Technology Co Ltd A Shares (SHHK)	1,380,939	6,049,669	0.63
Kweichow Moutai Co Ltd A Shares (SHHK)	227,337	52,876,342	5.50
Luxshare Precision Industry Co Ltd A Shares (SZHK)	3,662,193	16,345,703	1.70
Maxscend Microelectronics Co Ltd A Shares (SZHK)	672,945	8,944,153	0.93
Ping An Insurance Group Co of China Ltd A Shares (SHHK)	1,471,373	9,390,494	0.98
Shenzhen Mindray Bio-Medical Electronics Co Ltd A Shares (SZHK)	338,400	13,954,351	1.45
Wuliangye Yibin Co Ltd A Shares (SZHK)	232,785	5,237,286	0.55
		<u>135,753,987</u>	<u>14.13</u>
<b>Hong Kong - H Shares</b>			
China Life Insurance Co Ltd H Shares	2,875,000	4,791,942	0.50
China Merchants Bank Co Ltd H Shares	5,180,500	23,537,059	2.45
China Telecom Corp Ltd H Shares	66,834,000	31,985,949	3.33
China Vanke Co Ltd H Shares	3,361,800	4,513,549	0.47
Ping An Insurance (Group) Co of China Ltd H Shares	6,655,000	42,339,306	4.41
Poly Property Services Co Ltd H Shares	1,416,000	6,858,127	0.71
Sinopharm Group Co Ltd H Shares	4,321,600	13,512,670	1.41
		<u>127,538,602</u>	<u>13.28</u>



**INVESTMENT PORTFOLIO (UNAUDITED) (Continued)**

AS AT 30 JUNE 2023

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Listed equity securities (Continued)</b>			
<b><i>Hong Kong - Red Chips</i></b>			
Beijing Tong Ren Tang Chinese Medicine Co Ltd	19,002,000	34,775,948	3.62
China Jinmao Holdings Group Ltd	48,826,000	7,166,044	0.75
China Mobile Ltd	1,338,000	10,937,190	1.14
China Resources Beer (Holdings) Co Ltd	1,154,000	7,599,518	0.79
SIIC Environment Holdings Ltd	203,232,980	34,237,231	3.56
		94,715,931	9.86
<b><i>Hong Kong - Others</i></b>			
AIA Group Ltd	5,060,400	51,084,817	5.32
ANTA Sports Products Ltd	1,752,000	17,898,884	1.86
Chervon Holdings Ltd	2,597,800	10,277,747	1.07
China Education Group Holdings Ltd	5,982,000	4,657,006	0.49
China Mengniu Dairy Co Ltd	712,000	2,680,603	0.28
Li Ning Co Ltd	841,000	4,524,016	0.47
Luk Fook Holdings (International) Ltd	8,434,300	21,582,112	2.25
Meituan	4,242,350	66,216,080	6.89
Minsheng Education Group Co Ltd	16,946,000	670,439	0.07
Sands China Ltd	2,987,200	10,179,023	1.06
Techtronic Industries Co Ltd	1,664,000	18,082,917	1.88
Tencent Holdings Ltd	1,902,400	80,509,452	8.38
Yum China Holdings Inc	200,790	11,316,227	1.18
		299,679,323	31.20

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 JUNE 2023

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Listed equity securities (Continued)</b>			
<b><i>Taiwan</i></b>			
Asia Vital Components Co Ltd	881,205	7,666,834	0.80
Bafang Yunji International Co Ltd	1,220,000	6,991,460	0.73
Gigabyte Technology Co Ltd	1,288,000	10,068,961	1.05
Hon Hai Precision Industry Co Ltd	2,911,000	10,560,646	1.10
Ibase Technology Inc	72,000	206,190	0.02
Integrated Service Technology Inc	1,952,000	6,091,383	0.63
Lotes Co., Ltd.	347,000	9,580,711	1.00
MediaTek Inc	234,000	5,168,614	0.54
Mega Financial Holding Co Ltd	4,585,600	5,623,793	0.58
MSSCORPS Co Ltd	329,000	1,806,183	0.19
President Chain Store Corp	551,000	4,997,351	0.52
Simplo Technology Co Ltd	184,000	1,940,542	0.20
Taiwan Semiconductor Manufacturing Co Ltd	5,122,000	94,717,863	9.86
Tong Yang Industry Co Ltd	3,434,000	5,810,062	0.60
Unimicron Technology Corp	4,314,000	24,376,011	2.54
Universal Vision Biotechnology Co Ltd	359,000	4,886,863	0.51
Wistron NeWeb Corp	3,750,000	11,473,449	1.19
Yageo Corp	280,000	4,418,261	0.46
		<u>216,385,177</u>	<u>22.52</u>
<b><i>The United States of America</i></b>			
New Oriental Education & Technology Group Inc ADR	136,873	5,405,115	0.56
PDD Holdings inc ADR (formerly known as Pinduoduo Inc ADR)	571,189	39,492,007	4.11
TAL Education Group ADR	526,495	3,137,910	0.33
		<u>48,035,032</u>	<u>5.00</u>

**INVESTMENT PORTFOLIO (UNAUDITED) (Continued)**

AS AT 30 JUNE 2023

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Participation notes</b>			
CICC Financial Trading Ltd (Qi An Xin Technology Group Inc A Shares) P-note 9/7/2024	2,836,911	20,244,197	2.11
<b>Unlisted equity securities</b>			
EganaGoldpfeil Holdings Ltd	6,885,464	-	-
Real Gold Mining Ltd	14,179,500	-	-
		-	-
<b>Unlisted investment funds</b>			
Value Partners Ireland Fund ICAV – Value Partners China A Shares Consumption Fund Class X USD Unhedged Acc*	50,000	334,000	0.03
Value Partners Ireland Fund ICAV – Value Partners China A Shares Equity Fund Class X USD Unhedged Acc*	50,000	379,500	0.04
Value Partners Ireland Fund ICAV – Value Partners China A Shares High Dividend Fund Class X USD Unhedged Acc*	50,000	426,500	0.04
		1,140,000	0.11

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 JUNE 2023

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
Forward exchange contracts		<u>723</u>	<u>0.00</u>
Total financial assets at fair value through profit or loss		<u>943,492,972</u>	<u>98.21</u>
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
Forward exchange contracts		<u>(654,593)</u>	<u>(0.07)</u>
Total financial liabilities at fair value through profit or loss		<u>(654,593)</u>	<u>(0.07)</u>
Total investments, net		<u>942,838,379</u>	<u>98.14</u>
Total investments, at cost (inclusive of transaction cost)		<u>1,054,474,296</u>	

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

**INVESTMENT PORTFOLIO MOVEMENTS (UNAUDITED)**

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	% of net assets	
	30.06.2023	31.12.2022
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
<b>Listed equity securities</b>		
China	14.13	17.27
Hong Kong		
– H shares	13.28	16.41
– Red chips	9.86	10.02
– Others	31.20	30.07
Singapore	–	0.37
Taiwan	22.52	16.30
The United States of America	5.00	6.55
	95.99	96.99
	95.99	96.99
<b>Participation notes</b>	2.11	1.50
<b>Unlisted equity securities</b>	–	–
<b>Unlisted investment funds</b>	0.11	1.78
<b>Forward exchange contracts</b>	–	0.07
	–	0.07
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
<b>Forward exchange contracts</b>	(0.07)	(0.00)
	(0.07)	(0.00)
<b>Total investments, net</b>	98.14	100.34

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

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

AS AT 30 JUNE 2023

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

#### Financial assets:

#### Participation notes

	Underlying assets	Issuer	Fair value US\$
CICC Financial Trading Ltd (Qi An Xin Technology Group Inc A Shares) P-note 9/7/2024	Qi An Xin Technology Group Inc A Shares	CICC Financial Trading	<u>20,244,197</u>

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

AS AT 30 JUNE 2023

**Financial assets (Continued):**

**Forward exchange contracts**

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
CNH	737,997	USD	102,094	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	328
CNH	231,547	USD	32,032	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	103
CNH	132,527	USD	18,353	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	78
CNH	124,764	USD	17,247	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	42
CNH	36,887	USD	5,125	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	38
CNH	17,820	USD	2,468	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	10
NZD	98,438	USD	60,043	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	124
						<u>723</u>

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

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

AS AT 30 JUNE 2023

#### Financial liabilities:

##### Forward exchange contracts

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
USD	27,137,226	AUD	40,607,507	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(225,372)
USD	508	CAD	667	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(4)
USD	10,357,675	CAD	13,612,450	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(88,542)
USD	1,362	CNH	9,804	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(10)
USD	4,541	CNH	32,666	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(36)
USD	19,584	CNH	141,371	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(90)
USD	44,087	CNH	318,267	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(200)
USD	11,315,023	CNH	81,682,066	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(51,406)



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

AS AT 30 JUNE 2023

**Financial liabilities (Continued):**

**Forward exchange contracts (Continued)**

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
USD	18,314,442	CNH	132,210,199	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(83,205)
USD	27,934,293	CNH	201,654,978	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(126,909)
USD	128	HKD	1,000	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(0)
USD	126	HKD	984	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(0)
USD	9,248,492	HKD	72,348,998	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(9,409)
USD	4,207	NZD	6,832	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(48)
USD	6,199,874	NZD	10,071,451	31 July 2023	The Hongkong and Shanghai Banking Corporation Limited	(69,362)
						<u>(654,593)</u>

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

In accordance with the Explanatory Memorandum of the Fund, the Manager may determine to make a distribution out of the income and/or capital. During the period ended 30 June 2023, the Fund declared total distributions to redeemable participating shareholders of US\$1,193,924 (period ended 30 June 2022: US\$1,644,570).

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

Classes	01.01.2023 to 30.06.2023	01.01.2022 to 30.06.2022	Frequency	Ex-dividend dates*
C Units MDis USD	USD0.0196	USD0.0196	Monthly	Last business day of January to June
C Units MDis HKD	HKD0.0194	HKD0.0194	Monthly	Last business day of January to June
C Units MDis RMB	RMB0.0197	RMB0.0197	Monthly	Last business day of January to March
C Units MDis RMB	RMB0.0067	RMB0.0197	Monthly	Last business day of April to June
C Units MDis RMB Hedged	RMB0.0187	RMB0.0391	Monthly	Last business day of January to March
C Units MDis RMB Hedged	RMB0.0063	RMB0.0391	Monthly	Last business day of April to June

\* *Last business day of each month in 2023 are 31 January 2023, 28 February 2023, 31 March 2023, 28 April 2023, 31 May 2023 and 30 June 2023.*

*Last business day of each month in 2022 are 31 January 2022, 28 February 2022, 31 March 2022, 29 April 2022, 31 May 2022 and 30 June 2022.*