

## VALUE PARTNERS CLASSIC FUND

# 2024

ANNUAL  
REPORT

For the year ended  
31 December 2024



**Value Partners Hong Kong Limited**

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# 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

Mr. So Chun Ki Louis  
Mr. Ho Man Kei, Norman  
Dato' Seri Cheah Cheng Hye  
(Resigned on 31 December 2024)

### 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  
Ground Floor, 90 North Church Street  
George Town  
Grand Cayman  
KY1-1102  
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  
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Website : [www.valuepartners-group.com](http://www.valuepartners-group.com)

## GENERAL INFORMATION (Continued)

### Recent awards and achievements

Corporate award	
2024	<ul style="list-style-type: none"> <li>• <b>The “Exemplary Foreign Private Equity Institution” Award</b> <b>Winner: Value Partners Shanghai</b> <i>– Yinghua by China Fund News</i></li> <li>• <b>Asset Benchmark Research 2024 G3 Bonds 2024</b> <b>Top Investment House</b> <b>Winner: Value Partners</b> <i>– The Asset</i></li> <li>• <b>Asset Benchmark Research 2024 G3 Bonds 2024</b> <b>Most Astute Investor</b> <b>Winner: Tiffany Choi</b> <i>– The Asset</i></li> <li>• <b>GBA Listed Companies ESG100 Green Advancement Award – Governance Excellence Award</b> <b>Winner: Value Partners Group Limited</b> <i>– GBA Association of Listed Companies</i></li> </ul>
2023	<ul style="list-style-type: none"> <li>• <b>The Lifetime Achievement Award</b> <b>Winner: Dato’ Seri Cheah Cheng Hye</b> <i>– Asia Asset Management</i></li> </ul> <p><b>ESG Leading Enterprise Awards of the Year 2022/2023</b> <b>Outstanding performance in Environmental, Social, and Governance (“ESG”) initiatives</b> <i>– Master-Insight</i></p> <p><b>Best Exchange Traded Fund (ETF) Issuer 2022</b> <b>Winner: Value Partners Malaysia</b> <i>– Bursa Malaysia Award</i></p> <p><b>The Most Promising Overseas Investment Institution award</b> <b>Winner: Value Partners Hong Kong Limited</b> <i>– Insurance Asset Management Association of China</i></p> <p><b>ESG Elite Award (Distinction)</b> <b>ESG Achievement Awards 2022/2023</b> <b>Winner: Frank Tsui</b> <i>– Institute of ESG &amp; Benchmark and supported by Hang Seng Indexes Company Limited</i></p>

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## MANAGER'S REPORT

### Market review

In 2024, the Chinese equity market experienced a series of fluctuations influenced by external economic pressures and domestic policy responses.

The year began with a rebound in equities, ultimately ending the quarter flat. This stabilization was driven by better-than-expected macroeconomic performance and a significant increase in policy support. However, volatility persisted as investors grappled with mixed signals regarding the health of China's economy and evolving government policies. As the earnings season approached, investor focus shifted to corporate results, creating a complex sentiment in the market.

In April, investor confidence surged as macroeconomic data showed signs of improvement. Optimism grew around expectations of continued policy support and potential reforms in the capital markets, leading to a more favorable outlook for the Chinese equities market. The second quarter was characterized by a roller-coaster performance; however, it managed to finish higher. This upward trend was attributed to various indicators of economic recovery, alongside supportive measures introduced by the government to stabilize the market amid ongoing uncertainties.

The third quarter proved particularly strong, especially in September, thanks to unexpected financial support measures announced by regulators. These measures—including a 50 basis point cut in the reserve requirement ratio (RRR) and a reduction in the policy rate—exceeded market expectations. Furthermore, the easing of restrictions in the property sector, combined with anticipated fiscal stimulus, signaled a concerted effort from the Politburo to reverse the decline of the property market.

In the fourth quarter, however, the Chinese market began to slow down due to waning expectations surrounding stimulus policies. While investor interest in Chinese equities remained strong in October, it slightly declined in November and December. The recent five-year plan allocates 10 trillion yuan to address local government debt, highlighting proactive measures being taken. However, some investors are still awaiting additional details regarding this initiative, and overall expectations for a stimulus package have diminished.

## **MANAGER'S REPORT (Continued)**

### **Performance review**

For the year ending December 31, 2024, the Fund recorded a gain of 11.8%, while the MSCI Golden Dragon Index saw a gain of 22.5%. The performance difference is primarily due to our decision to maintain a passive underweight position in TSMC within our portfolio. The Fund's performance was boosted by substantial contributions from Hong Kong, Taiwan, and H-shares despite the offsetting effects from A-shares.

The Fund's performance was significantly boosted by substantial contributions from Hong Kong, Taiwan, and H-shares despite the offsetting effects from A-shares.

During this period, the information technology sector emerged as the leading contributor to growth, showcasing the strength and innovation within the industry. Additionally, the communication services and consumer discretionary sectors added to the positive momentum. Among individual stocks, Xiaomi, a top pick in the communication equipment manufacturing sector, stands out. The company is well positioned to benefit from rising gross profit margins, and market sentiment regarding its electric vehicle (EV) business is positive. Despite a competitive landscape, we are also optimistic about TSMC, a leading Taiwanese semiconductor firm that is poised to gain significantly from the growing demand for AI. Overall, we maintain a positive outlook for this sector and are actively monitoring and evaluating these companies' promising medium- to long-term prospects.

Conversely, the healthcare and real estate sectors are the leading detractors and face several challenges. Biotech stocks have declined in the healthcare sector due to uncertainties regarding US interest rate cuts. However, we continue to hold onto these stocks because of their strong fundamentals and attractive valuations.

In the real estate sector, some major companies have seen a decline in sales and earnings amid overall negative sentiment in the property market. The market is awaiting more precise signals for recovery and additional stimulus measures.

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## MANAGER'S REPORT (Continued)

### Outlook

The Chinese equity market is poised for a gradual recovery in 2025, as the government's commitment to economic support is clearly set. We look forward to the announcement of a new round of stimulus in 2025, which we believe will play a significant role in enhancing growth, boosting consumption, and stabilizing the property market in the first half of the year.

In the near term, while some investors may adopt a more cautious approach due to concerns about tariffs on China, we view this as an opportunity for strategic investment. The current environment also offers the potential for increased volatility in the A-share market.

On the policy front, the government is dedicated to supporting domestic consumption through increased subsidies for home appliances and consumer electronics, as well as raising wages for government employees. Recent months have seen a positive uptick in economic activity across China, and although government bond yields are at historically low levels, this could signal a transformative phase rather than a prolonged economic slowdown.

While deflation may last for some time, it may lead to lower long-term interest rates, creating an appealing scenario for investing in high-dividend stocks. Overall, we remain optimistic about the opportunities that lie ahead.



## MANAGER'S REPORT (Continued)

### Value Partners Classic Fund – NAV as at 31 December 2024

Classes	NAV per unit
A Units	USD368.77
B Units	USD159.89
C Units USD	USD20.00
C Units HKD <sup>8</sup> (for reference only)	HKD155.2850
C Units RMB	RMB15.14
C Units AUD Hedged	AUD14.17
C Units CAD Hedged	CAD14.77
C Units HKD Hedged	HKD12.84
C Units NZD Hedged	NZD15.23
C Units RMB Hedged	RMB13.17
C Units MDis USD	USD7.83
C Units MDis HKD	HKD7.78
C Units MDis RMB	RMB8.58
C Units MDis RMB Hedged	RMB7.33
P Units USD	USD8.1294
P Units classes RMB Hedged	RMB9.7482
P Units classes RMB Unhedged	RMB11.1076
X Units	USD11.99
Z Units	USD10.91

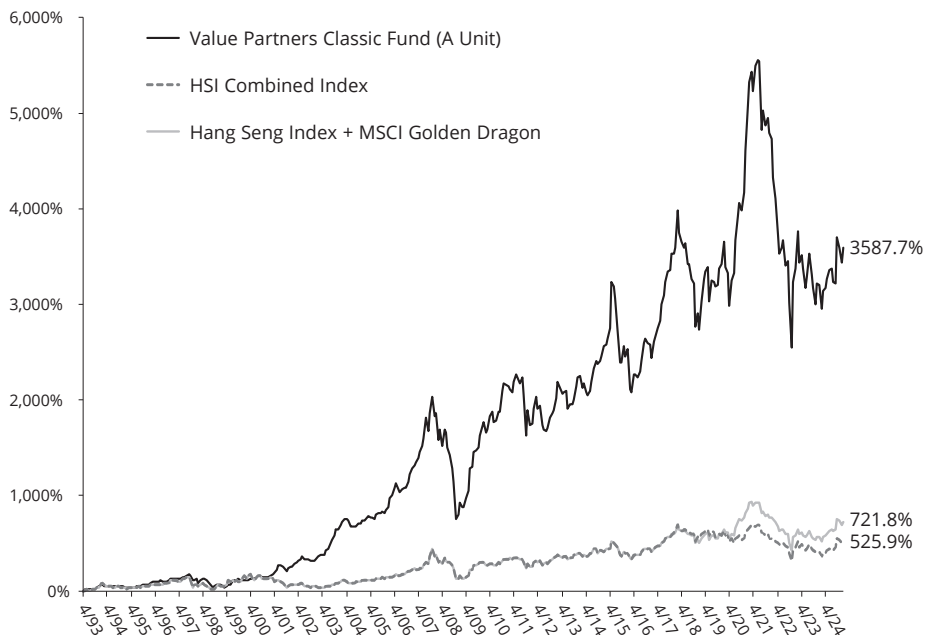
# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## MANAGER'S REPORT (Continued)

### Performance since launch

From 1 April 1993 to 31 December 2024



# HSI Combined Index refers to Hang Seng Index (Price Return) which was used till 31 Dec 2004, thereafter it is the Hang Seng Index (Total Return). Hang Seng Index (Total Return) takes into account of dividend reinvestment whereas Hang Seng Index (Price Return) does not.

\* Hang Seng Index + MSCI Golden Dragon Index refers to Hang Seng Index (Price Return) since fund inception till 31 Dec-2004, thereafter it is the Hang Seng Index (Total Return) up to 30 Sep 2017. Hang Seng Index (Total Return) includes dividend reinvestment whereas Hang Seng Index (Price Return) does not take into account reinvestment of dividends. With effect from 1 Oct 2017, it is the MSCI Golden Dragon Index (Total Net Return), which takes into account of dividend reinvestment after deduction of withholding tax.

Fund performance mentioned is 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 31 December 2024. Performance data is net of all fees. All indices are for reference only.

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

### **Manager's responsibilities**

The Manager, Value Partners Hong Kong Limited, is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "Code") and the Trust Deed dated 26 October 1993, as further amended and/or supplemented from time to time ("Trust Deed") and Deed of retirement and appointment of Manager dated 17 August 2015 to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of Value Partners Classic Fund (the "Fund") at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

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

The Manager is also required to manage the Fund in accordance with the Trust Deed and Deed of retirement and appointment of Manager dated 17 August 2015 and take reasonable steps for the prevention and detection of fraud and other irregularities.

### **Trustee's responsibilities**

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

- ensure that the Fund is managed by the Manager in accordance with the Trust Deed and Deed of retirement and appointment of Manager dated 17 August 2015 and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained so as to enable the financial statements to be prepared.
- safeguard the property of the Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Fund.

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## TRUSTEE'S REPORT

We hereby confirm that, in our opinion, the Manager, Value Partners Hong Kong Limited has, in all material respects, managed Value Partners Classic Fund in accordance with the provisions of the Trust Deed dated 26 October 1993 as further amended and/or supplemented from time to time ("Trust Deed") and Deed of retirement and appointment of Trustee dated 17 August 2015 for the year ended 31 December 2024.

For and on behalf of

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

Trustee

30 April 2025

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF VALUE PARTNERS CLASSIC FUND**

*(A unit trust established in Hong Kong)*

**Report on the Audit of the Financial Statements**

***Opinion***

*What we have audited*

The financial statements of Value Partners Classic Fund (the "Fund"), which are set out on pages 16 to 59, comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

*Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024, and of its financial transactions and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF VALUE PARTNERS CLASSIC FUND (Continued)

*(A unit trust established in Hong Kong)*

#### Report on the Audit of the Financial Statements (Continued)

##### ***Basis for Opinion (Continued)***

###### *Independence*

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

##### ***Other Information***

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF VALUE PARTNERS CLASSIC FUND  
(Continued)**

*(A unit trust established in Hong Kong)*

**Report on the Audit of the Financial Statements (Continued)**

***Responsibilities of the Management for the Financial Statements***

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 26 October 1993, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF VALUE PARTNERS CLASSIC FUND (Continued)

*(A unit trust established in Hong Kong)*

### Report on the Audit of the Financial Statements (Continued)

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF VALUE PARTNERS CLASSIC FUND  
(Continued)**

*(A unit trust established in Hong Kong)*

**Report on the Audit of the Financial Statements (Continued)**

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

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

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

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

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

**PricewaterhouseCoopers**  
Certified Public Accountants  
30 April 2025

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note(s)	2024 US\$	2023 US\$
<b>Assets</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	4(d)	815,023,655	873,809,757
Amounts receivable on sales of investments		13,604,207	10,049,788
Amounts receivable on issue of units		421,644	303,126
Dividends, interest receivables and other receivables		266,028	385,884
Margin deposits		20	30
Cash and cash equivalents	7(g)	11,322,475	27,155,329
<b>Total assets</b>		<u>840,638,029</u>	<u>911,703,914</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss	4(d)	389,341	7,908
Amounts payable on purchase of investments		12,523,739	10,855,857
Amounts payable on redemption of units		2,574,468	3,527,379
Management fees payable		815,008	835,462
Distributions payable to unitholders		132,545	178,345
Bank overdrafts	7(g)	-	2,215,932
Accruals and other payables	4(c), 7(g)	178,568	188,212
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u>16,613,669</u>	<u>17,809,095</u>
<b>Net assets attributable to unitholders</b>	6	<u>824,024,360</u>	<u>893,894,819</u>

Signed by:

**Value Partners Hong Kong Limited, Manager**

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

The notes on pages 23 to 59 are an integral part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>Note(s)</i>	<b>2024</b> <i>US\$</i>	<b>2023</b> <i>US\$</i>
<b>Income</b>			
Dividends		18,857,899	23,139,196
Interest on bank deposits	7(g)	183,677	95,195
Net realised gains/(losses) on investments		6,870,652	(108,485,490)
Change in unrealised gains/losses on investments		82,340,289	48,742,802
Net foreign exchange losses		(2,237,853)	(383,978)
Other income		40,118	27,740
		<u>106,054,782</u>	<u>(36,864,535)</u>
<b>Expenses</b>			
Management fees	7(a)	(9,561,500)	(11,101,970)
Trustee and fund administration fees	7(c), 7(g)	(1,035,785)	(1,178,518)
Transaction costs	7(g), 9	(5,623,493)	(3,758,815)
Interest expenses	7(g)	(280,761)	(759,234)
Safe custody and bank charges	7(g)	(271,864)	(240,621)
Legal and professional fees		(36,575)	(36,335)
Auditor's remuneration		(41,053)	(41,512)
Other operating expenses	7(g)	(876,331)	(956,793)
		<u>(17,727,362)</u>	<u>(18,073,798)</u>
<b>Profit/(loss) before tax</b>		88,327,420	(54,938,333)
Withholding tax on dividends and other investment income	8	<u>(2,149,601)</u>	<u>(2,397,426)</u>
<b>Profit/(loss) after tax and before distributions</b>		86,177,819	(57,335,759)
Distributions to unitholders	10	<u>(1,826,276)</u>	<u>(2,288,127)</u>
<b>Increase/(decrease) in net assets attributable to unitholders from operations</b>		<u>84,351,543</u>	<u>(59,623,886)</u>

The notes on pages 23 to 59 are an integral part of these financial statements.

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

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

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 US\$	2023 US\$
<b>Net assets attributable to unitholders as at beginning of the year</b>	893,894,819	1,037,132,390
Issue of units	74,539,363	82,377,407
Redemption of units	(228,761,365)	(165,991,092)
<b>Net decrease from unit transactions</b>	(154,222,002)	(83,613,685)
Profit/(loss) after tax and before distributions	86,177,819	(57,335,759)
Distributions to unitholders	(1,826,276)	(2,288,127)
<b>Increase/(decrease) in net assets attributable to unitholders from operations</b>	84,351,543	(59,623,886)
<b>Net assets attributable to unitholders as at end of the year</b>	824,024,360	893,894,819

The notes on pages 23 to 59 are an integral part of these financial statements.

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

FOR THE YEAR ENDED 31 DECEMBER 2024

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

Number of units	As at 1 January	Issue of units	Redemption of units	As at 31 December
<b>2024</b>				
A Units	629,830	–	(80,656)	549,174
B Units	1,000,430	13,413	(112,176)	901,667
C Units USD	19,148,915	1,289,451	(4,020,576)	16,417,790
C Units RMB	487,680	1,967,398	(1,928,549)	526,529
C Units AUD Hedged	2,843,106	724,193	(1,023,993)	2,543,306
C Units CAD Hedged	724,508	84,760	(232,953)	576,315
C Units HKD Hedged	5,013,555	561,451	(1,438,774)	4,136,232
C Units NZD Hedged	697,816	237,461	(376,824)	558,453
C Units RMB Hedged	5,893,465	288,933	(1,463,688)	4,718,710
C Units MDis USD	3,915,501	675,430	(1,487,737)	3,103,194
C Units MDis HKD	33,861,367	3,619,251	(12,680,005)	24,800,613
C Units MDis RMB	243,570	171,005	(67,484)	347,091
C Units MDis RMB Hedged	19,400,352	3,375,880	(12,570,580)	10,205,652
P Units USD	75,538	19,242	(33,168)	61,612
P Units classes RMB Hedged	20,494,221	13,863,915	(7,717,279)	26,640,857
P Units classes RMB Unhedged	1,639,072	1,031,293	(992,235)	1,678,130
X Units	13,566	6	(9,597)	3,975
Z Units	3,387,918	20,503	(3,302,421)	106,000

The notes on pages 23 to 59 are an integral part of these financial statements.

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

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

FOR THE YEAR ENDED 31 DECEMBER 2024

Number of units	As at 1 January	Issue of units	Redemption of units	As at 31 December
<b>2023</b>				
A Units	636,863	–	(7,033)	629,830
B Units	1,082,268	14,947	(96,785)	1,000,430
C Units USD	22,401,704	1,578,574	(4,831,363)	19,148,915
C Units RMB	475,062	41,164	(28,546)	487,680
C Units AUD Hedged	2,898,511	865,302	(920,707)	2,843,106
C Units CAD Hedged	899,237	242,045	(416,774)	724,508
C Units HKD Hedged	7,838,933	1,515,199	(4,340,577)	5,013,555
C Units NZD Hedged	857,423	322,541	(482,148)	697,816
C Units RMB Hedged	5,342,595	1,737,005	(1,186,135)	5,893,465
C Units MDis USD	4,289,398	639,914	(1,013,811)	3,915,501
C Units MDis HKD	32,512,252	9,062,905	(7,713,790)	33,861,367
C Units MDis RMB	392,768	29,169	(178,367)	243,570
C Units MDis RMB Hedged	21,055,741	5,466,877	(7,122,266)	19,400,352
P Units USD	70,375	5,163	–	75,538
P Units classes RMB Hedged	19,077,485	5,398,256	(3,981,520)	20,494,221
P Units classes RMB Unhedged	1,959,414	511,076	(831,418)	1,639,072
X Units	40,036	5,172	(31,642)	13,566
Z Units	3,442,918	59,000	(114,000)	3,387,918

The notes on pages 23 to 59 are an integral part of these financial statements.

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2024

	<b>2024</b> <i>US\$</i>	<b>2023</b> <i>US\$</i>
<b>Cash flows from operating activities</b>		
Increase/(decrease) in net assets attributable to unitholders from operations	84,351,543	(59,623,886)
Adjustments for:		
Dividends and interest on bank deposits	(19,041,576)	(23,234,391)
Interest expenses	280,761	759,234
Withholding tax on dividends and other investment income	2,149,601	2,397,426
Distributions to unitholders	1,826,276	2,288,127
	<hr/> 69,566,605	<hr/> (77,413,490)
Decrease in financial assets at fair value through profit or loss	58,786,102	166,823,575
Increase/(decrease) in financial liabilities at fair value through profit or loss	381,433	(8,466)
(Increase)/decrease in amounts receivable on sales of investments	(3,554,419)	10,672,603
Increase in amounts payable on purchase of investments	1,667,882	5,740,258
Decrease in other receivables	384	695
Decrease/(increase) in margin deposit	10	(2)
Decrease in bank overdrafts	(2,215,932)	(44,749,357)
Decrease in management fees payable	(20,454)	(160,963)
Increase/(decrease) in accruals and other payables	6,881	(19,827)
	<hr/>	<hr/>
Cash generated from operations	124,618,492	60,885,026
Dividends and interest on bank deposits received	17,011,447	20,874,951
Interest expenses paid	(297,286)	(987,124)
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<hr/> 141,332,653	<hr/> 80,772,853

The notes on pages 23 to 59 are an integral part of these financial statements.

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 US\$	2023 US\$
<b>Cash flows from financing activities</b>		
Distributions paid to unitholders	(1,872,076)	(2,332,289)
Proceeds from issue of units	74,420,845	82,654,941
Payments on redemption of units	<u>(229,714,276)</u>	<u>(163,564,203)</u>
<b>Net cash outflow from financing activities</b>	<u>(157,165,507)</u>	<u>(83,241,551)</u>
<b>Net decrease in cash and cash equivalents</b>	(15,832,854)	(2,468,698)
Cash and cash equivalents as at beginning of the year	<u>27,155,329</u>	<u>29,624,027</u>
<b>Cash and cash equivalents as at end of the year, representing bank balances</b>	<u><u>11,322,475</u></u>	<u><u>27,155,329</u></u>

The notes on pages 23 to 59 are an integral part of these financial statements.



## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 GENERAL INFORMATION**

Value Partners Classic Fund (the “Fund”) is an open-ended unit trust established by the Trust Deed as further amended and/or supplemented from time to time (“Trust Deed”) dated 26 October 1993 (as amended) and governed by the laws of Hong Kong.

The Fund is authorised by the Securities and Futures Commission of Hong Kong and is required to comply with the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the “Code”).

The Fund’s investment objective is to achieve consistent superior returns through an investment discipline that places emphasis on the fundamental value of potential investments. The Fund’s investment activities are managed by Value Partners Hong Kong Limited (the “Manager”). The Fund’s Administrator is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

### **2 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **(a) Basis of preparation**

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

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Fund’s accounting policies.

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

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### ***Standards and amendments to existing standards effective 1 January 2024***

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2024 that have a material effect on the financial statements of the Fund.

##### ***Standards that are not yet effective and have not been early adopted by the Fund***

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024, and have not been early adopted in preparing these financial statements. The Fund's assessment of the impact of these new standards and amendments is set out below.

- i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- ii) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The Fund is currently still assessing the effect of the forthcoming standard and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

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

### **2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**

#### **(b) Investment entity**

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)****(d) Financial assets and liabilities at fair value through profit or loss****(i) Classification***– Assets*

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective.

*– Liabilities*

The Fund short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss.

The Fund's policy requires the Investment Manager and the Trustee to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

All derivatives are carried in assets when amounts are receivable by the Fund and in liabilities when amounts are payable by the Fund.

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

### **2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**

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

##### ***(ii) Recognition/derecognition***

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

##### ***(iii) Measurement***

Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income. Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss are presented in the statement of comprehensive income in the year in which they arise.

##### ***(iv) Fair value estimation***

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

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

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

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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

##### (iv) Fair value estimation (Continued)

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

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

#### (e) Income

##### (i) Interest income

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

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

##### (ii) Dividends

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

#### (f) Expenses

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

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

### **2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**

#### **(g) Transaction costs**

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

#### **(h) Offsetting financial instruments**

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

#### **(i) Collateral**

The party to whom the collateral is provided does not have the right to sell or re-pledge the collateral and the Fund classifies these pledged investments as financial assets at fair value through profit or loss in the statement of financial position.

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)****(j) Foreign currency translation****(i) *Functional and presentation currency***

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (“the functional currency”). The performance of the Fund is measured and reported to the unitholders in United State dollar (“US\$”). The Manager considers US\$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US\$, which is the Fund’s functional and presentation currency.

**(ii) *Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “net foreign exchange losses”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net realised gains/(losses) on investments” and “change in unrealised gains/losses on investments”.

**(k) Taxation**

The Fund currently incurs withholding tax imposed by certain countries on investment income and capital gains. Such income is recorded gross of withholding tax in the statement of comprehensive income.



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

### **2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**

#### **(l) Cash and cash equivalents**

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

#### **(m) Redeemable units**

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

The redeemable units will be issued when the signed application for subscription or switching of units in the relevant class has been received. The subscription monies should be received no more than three Business Days after the close of the relevant dealing period. The amounts receivable on issue of units are recognised when the subscription applications are received but not yet settled.

The redemption monies will be paid with the maximum interval between the receipt of a properly documented request for redemption of units and payment of the redemption proceeds to the unitholders may not exceed 30 days. The amounts payable on redemption of units are recognised when the redemption requests are received but not yet settled.

#### **(n) Distributions to unitholders**

Proposed distributions to unitholders are recognised in the statement of comprehensive income when they are appropriately authorised. The Manager expects to be able to pay distributions from the net distributable income generated by the Fund from its investment but in the event that such net distributable income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. The distribution on the units is recognised in the statement of comprehensive income.

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

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

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

As at 31 December 2024, the Fund held one (2023: two) unlisted equity security of US\$Nil (2023: US\$Nil), which are classified as level 3 investments. Refer to Note 4(d) for further details.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit and counterparty risk and liquidity risk.

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

#### (a) Market risk

##### (i) Foreign exchange risk

The Fund may hold assets denominated in currencies other than the US\$, the functional currency, it may therefore be exposed to foreign exchange risk. The Fund's overall currency positions are monitored on a daily basis by the Manager.

The table below includes both monetary and non-monetary assets and liabilities held in foreign currencies together with the percentage of reasonable possible change in foreign exchange rates and the estimated impact on net assets. Non-monetary investments include equity securities. Monetary investments include currency forwarding.

	Total net foreign currency exposures		Percentage change %	Estimated impact on net assets US\$
	Non- monetary net assets US\$ equivalent	Monetary net assets US\$ equivalent		
<b>As at 31 December 2024</b>				
Australian dollar	-	22,313,733	+/-6	+/-1,338,824
Canadian dollar	-	5,914,657	+/-4	+/-236,586
Hong Kong dollar*	557,607,715	9,044,117	+/-0	-
Indonesian rupiah	-	732	+/-5	+/-37
New Zealand dollar	-	4,761,402	+/-7	+/-333,298
Renminbi	78,392,310	54,394,103	+/-4	+/-5,311,457
Singapore dollar	-	235	+/-2	+/-5
Taiwan dollar	134,502,040	228,381	+/-5	+/-6,736,521
	<u>770,502,065</u>	<u>96,657,360</u>		

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

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

##### (i) Foreign exchange risk (Continued)

	Total net foreign currency exposures			
	Non- monetary net assets <i>US\$ equivalent</i>	Monetary net assets/ (liabilities) <i>US\$ Equivalent</i>	Percentage change %	Estimated impact on net assets <i>US\$</i>
<b>As at 31 December 2023</b>				
Australian dollar	-	25,453,984	+/-5	+/-1,272,699
Canadian dollar	-	7,573,715	+/-3	+/-227,211
Hong Kong dollar*	364,254,050	25,623,483	+/-0	-
Indonesian rupiah	-	766	+/-3	+/-23
New Zealand dollar	-	6,248,137	+/-5	+/-312,407
Renminbi	141,811,537	54,502,444	+/-5	+/-9,815,699
Taiwan dollar	232,427,722	2,723,488	+/-5	+/-11,757,561
Singapore dollar	-	148,026	+/-2	+/-2,961
	<u>738,493,309</u>	<u>122,274,043</u>		

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

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

##### (ii) Price risk

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

As at 31 December 2024 and 2023, the Fund had no exposure to a single security greater than 10% of net assets.

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

	% of net assets	
	2024	2023
<b>Financial assets at fair value through profit or loss</b>		
<b>Listed equity securities</b>		
China	9.51	15.86
Hong Kong		
– H shares	20.47	9.11
– Red chips	6.32	8.44
– Others	40.89	23.19
Taiwan	16.32	26.00
The United States of America	4.88	13.11
	<hr/>	<hr/>
	98.39	95.71
<b>Rights</b>		
Taiwan	–	0.00*
<b>Participation notes</b>	0.52	1.86
<b>Unlisted equity securities</b>	–	–
<b>Unlisted investment funds</b>	–	0.09
<b>Forward exchange contracts</b>	0.00*	0.09
	<hr/>	<hr/>
	98.91	97.75
	<hr/>	<hr/>

\* % of net assets is less than 0.005%.

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

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

##### (ii) Price risk (Continued)

	% of net assets	
	2024	2023
Financial liabilities at fair value through profit or loss		
Forward exchange contracts	(0.05)	(0.00)*
	(0.05)	(0.00)
	% of total investments	
	2024	2023
Communication services	12.57	12.96
Consumer discretionary	25.04	22.82
Consumer staples	2.39	6.78
Energy	2.99	–
Financials	17.00	10.73
Healthcare	1.87	7.66
Industrials	7.25	4.74
Information technology	28.37	30.18
Materials	1.19	–
Real estate	1.33	0.88
Utilities	–	3.25
	100.00	100.00

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

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

##### (ii) Price risk (Continued)

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

The table below summarises the sensitivity of the Fund's portfolio of listed equity securities, equity derivatives and investment funds to equity price movements. The analysis is based on the assumptions that the MSCI Golden Dragon Net Total Return Index increased/decreased with all other variables held constant and that the fair value of the Fund's portfolio of listed equity securities and notional value of the Fund's derivatives moved according to their historical correlation with the index. The Manager does not manage price risk with reference to any market index. The index used below is for guidance and performance comparison only.

	Percentage change		Estimated impact on net assets	
	2024 %	2023 %	2024 US\$	2023 US\$
MSCI Golden Dragon Net Total Return Index	+/-15	+/-15	+/-136,246,286	+/-128,496,710

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

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

##### (iii) Interest rate risk

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

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

	<b>Less than 1 month</b>	
	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Cash and cash equivalents	11,322,475	27,155,329
Bank overdrafts	<u>-</u>	<u>(2,215,932)</u>
Interest sensitivity gap	<u>11,322,475</u>	<u>24,939,397</u>

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

#### (b) Credit and counterparty risk

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



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

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

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

	2024 US\$	2023 US\$
<b>Counterparty</b>		
Cash with banks		
Aa2	11,322,475	27,155,329
Margin Deposits		
Aa3	20	30
Investments placed with custodian and other broker		
Aa2	815,023,655	873,809,757
Amounts receivable on sales of investments		
Aa3	7,578,768	–
A1	–	7,005,203
A2	–	898,937
A3	5,204,767	–
Unrated	820,672	2,145,648

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2024, amounts receivable on sales of investments, amounts receivable on issue of units, dividends, interest receivables and other receivables, margin deposits and bank balances with a credit rating of Aa2 (2023: Aa2) or higher and are due to be settled within 1 week. Applying the requirements of IFRS 9, the expected credit loss (“ECL”) is immaterial for the Fund and, as such, no ECL has been recognised within the financial statements.

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

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Liquidity risk

The table below analyses the Fund's financial assets and financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The table below reflects captions of the statement of financial position items and shows how much of the net assets can be redeemed if the Manager does not exercise the 10% redemption gate.

	Less than 3 month	
	2024	2023
	US\$	US\$
<b>Total financial assets</b>	<b>840,638,029</b>	<b>911,703,914</b>
<b>Current liabilities</b>		
Net assets attributable to unitholders	824,024,360	893,894,819
Financial liabilities at fair value through profit or loss – derivatives	389,341	7,908
Amounts payable on purchase of investments	12,523,739	10,855,857
Amounts payable on redemption of units	2,574,468	3,527,379
Management fees payable	815,008	835,462
Distributions payable to unitholders	132,545	178,345
Bank overdrafts	–	2,215,932
Accruals and other payables	178,568	188,212
<b>Total financial liabilities</b>	<b>840,638,029</b>	<b>911,703,914</b>

As at 31 December 2024, the Fund was subject to one (2023: one) passive hedging arrangement with its derivative counterparty. The arrangement gives the Fund and the counterparties the legally enforceable right to set-off certain financial assets and liabilities.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

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

The Fund and its counterparties have elected to settle all transactions on a gross basis, however, each party has the option to settle all open obligations on a net basis in the event of default of the other party. Accordingly, all the financial assets and liabilities has been recognised in the statement of financial position on a gross basis.

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

	2024 US\$	2023 US\$
<b>Gross amounts of recognised financial assets</b>		
Forward exchange contracts	9,187	816,302
<b>Net amounts of financial assets presented in the statements of financial position</b>	<u>9,187</u>	<u>816,302</u>
<b>Gross amounts of recognised financial liabilities</b>		
Forward exchange contracts	(389,341)	(7,908)
<b>Net amounts of financial liabilities presented in the statements of financial position</b>	<u>(389,341)</u>	<u>(7,908)</u>
<b>Net amount</b>	<u>(380,154)</u>	<u>808,394</u>

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

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

##### *Capital Management*

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

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

- Monitor subscriptions and redemptions activities relative to liquid assets;
- Protect the interest of unitholders and in exceptional circumstances, the Manager may limit the total number of units redeemed on any redemption day to 10% in aggregate of the total number of units in issue; and
- Monitor fund investment guidelines and restrictions, in accordance with the Explanatory Memorandum.

The markets in which the Fund invests may be relatively illiquid and the liquidity of these markets may fluctuate substantially over time. Investment of the Fund's assets in relatively illiquid securities may restrict the ability of the Fund to dispose of its investments at a price and time that it wishes. The risk of illiquidity also arises in the case of over-the-counter transactions. As at 31 December 2024 and 2023, the Manager considers that the amount of such illiquid investments is relatively insignificant compared to the net assets attributable to unitholders and the majority of the Fund's asset can be realised within 7 days or less to generate cash inflows for managing liquidity risk.

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

Investor	% of net assets
<b>As at 31 December 2024</b>	
Investor 1	14.10
Investor 2	11.34
<b>As at 31 December 2023</b>	
Investor 1	12.70
Investor 2	11.89

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Fair value estimation

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

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>As at 31 December 2024</b>				
<b>Financial assets held for trading</b>				
Listed equity securities	810,753,319	-	-	810,753,319
Participation notes	-	4,261,149	-	4,261,149
Unlisted equity securities	-	-	-*	-
Forward exchange contracts	-	9,187	-	9,187
	<u>810,753,319</u>	<u>4,270,336</u>	<u>-</u>	<u>815,023,655</u>
<b>Financial liabilities held for trading</b>				
Forward exchange contracts	-	(389,341)	-	(389,341)
	<u>-</u>	<u>(389,341)</u>	<u>-</u>	<u>(389,341)</u>

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Fair value estimation (Continued)

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>As at 31 December 2023</b>				
<b>Financial assets held for trading</b>				
Listed equity securities	855,602,224	-	-	855,602,224
Participation notes	-	16,618,816	-	16,618,816
Unlisted investment funds	-	753,000	-	753,000
Unlisted equity securities	-	-	-*	-
Rights	-	19,415	-	19,415
Forward exchange contracts	-	816,302	-	816,302
	<u>855,602,224</u>	<u>18,207,533</u>	<u>-</u>	<u>873,809,757</u>
<b>Financial liabilities held for trading</b>				
Forward exchange contracts	<u>-</u>	<u>(7,908)</u>	<u>-</u>	<u>(7,908)</u>

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

Financial instruments that trade in markets that are not considered to be active and are valued based on quoted market prices or broker quotes, or financial instruments for which there is no active market and are valued based on valuation models supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they are traded infrequently.

\* As at 31 December 2024, the fair value of one (2023: two) unlisted equity security was fully marked at zero.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Fair value estimation (Continued)

The Manager considers that changes in the inputs to the valuation models would not have a significant effect on the net asset value of the Fund. No quantitative analysis has been presented. The table below summarises the key unobservable inputs adopted by the Manager in determining the fair value.

	Fair value <i>US\$</i>	Valuation technique	Unobservable inputs	Range of inputs
<b>As at 31 December 2024</b>				
Unlisted equity security	–	Last transacted price with discounts applied	Discount rate	100%
<b>As at 31 December 2023</b>				
Unlisted equity securities	–	Last transacted price with discounts applied	Discount rate	100%

There is no transfer between levels for the years ended 31 December 2024 and 2023.

There is no movement in level 3 investments for the years ended 31 December 2024 and 2023.

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

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 FINANCIAL RISK MANAGEMENT (Continued)

#### (e) Financial derivative instruments

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

	Notional amount Long/(Short)	Fair value Assets US\$	Liabilities US\$
<b>As at 31 December 2024</b>			
Forward exchange contracts	CAD8,469,249	3,523	-
Forward exchange contracts	(CNH3,779,952)	1,808	-
Forward exchange contracts	HKD52,843,369	3,856	-
Forward exchange contracts	AUD35,845,531	-	(115,611)
Forward exchange contracts	CNH399,998,706	-	(262,006)
Forward exchange contracts	(HKD7,344)	-	(1)
Forward exchange contracts	NZD8,457,762	-	(11,723)
Participation notes on China equities	RMB31,252,636	4,261,149	-
		<u>4,270,336</u>	<u>(389,341)</u>

	Notional amount Long/(Short)	Fair value Assets US\$	Liabilities US\$
<b>As at 31 December 2023</b>			
Forward exchange contracts	AUD36,189,758	384,294	-
Forward exchange contracts	CAD9,610,825	124,735	-
Forward exchange contracts	CNH387,743,225	200,857	-
Forward exchange contracts	NZD9,452,209	106,416	-
Forward exchange contracts	(AUD224,352)	-	(1,997)
Forward exchange contracts	(CAD7,001)	-	(19)
Forward exchange contracts	(CNH5,054,521)	-	(2,821)
Forward exchange contracts	HKD57,071,320	-	(2,325)
Forward exchange contracts	(NZD52,702)	-	(746)
Participation notes on China equities	RMB87,929,838	12,372,467	-
Participation notes on China equities	RMB30,179,260	4,246,349	-
		<u>17,435,118</u>	<u>(7,908)</u>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 INVESTMENTS IN UNCONSOLIDATED STRUCTURED ENTITIES

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

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

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

Investee funds	Fund manager	% Ownership		Place of Incorporation	Dealing Frequency
		2024	2023		
Value Partners Ireland Fund ICAV – Value Partners China A Shares Equity Fund <sup>Δ</sup>	Value Partners HongKong Limited**	–	6.26%	Ireland	Daily*
Value Partners Ireland Fund ICAV – Value Partners China A Shares High Dividend Fund <sup>Δ</sup>	Value Partners HongKong Limited**	–	6.27%	Ireland	Daily*

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

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

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

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

During the year ended 31 December 2024, the Fund did not invest in other funds, which are also managed by the Manager or its related party.

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

	Fair value US\$	% of net assets
<b>As at 31 December 2023</b>		
Value Partners Ireland Fund ICAV – Value Partners China A Shares Equity Fund Class X USD Unhedged Acc	341,500	0.04
Value Partners Ireland Fund ICAV – Value Partners China A Shares High Dividend Fund Class X USD Unhedged Acc	411,500	0.05
	<u>753,000</u>	<u>0.09</u>

Total purchases and total sales in structured entities during the year ended 31 December 2024 were US\$Nil (2023: US\$Nil) and US\$830,000 (2023: US\$18,797,527) respectively. The Fund intends to continue opportunistic trading in the investee funds. As at 31 December 2024 and 2023, there were no capital commitment obligations and no amounts due to structured entities for unsettled purchases.

During the year ended 31 December 2024, total net loss of US\$170,000 (2023: US\$1,122,251) was recognised on investments in investee funds.

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

### **6 REDEEMABLE UNITS**

Units of the Fund are issued in different classes. All units are subject to daily redemption. The management fees charged to each classes of units are different as disclosed in note 7(a). Applications for A Units and B Units were suspended since 2002 and 2009 respectively unless otherwise agreed by the Manager. New investors who wish to invest in the Fund and existing unitholders who wish to further subscribe for units in the Fund may subscribe for C Units, C Units – Hedged, C Units – MDis, X Units, Z Units and P Units classes.

The Fund may enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Fund attributable to a particular class into the class currency of the relevant class. Any financial instruments used to implement such strategies with respect to one or more classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant classes and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant class.

A Units, B Units, C Units, C Units – Hedged, C Units – MDis, X Units, Z Units and P Units classes are redeemable at the option of the unitholders, are subject to different management fee percentages and do not have identical features, and are therefore classified as financial liabilities. The units can be put back to the Fund for cash equal to a proportionate share of the Fund's net asset value. The units are carried at the redemption amount that is payable at the reporting date if the unitholders exercise their right to put the units back to the Fund.

The Fund's capital is represented by these units. The Fund's capital is shown as net assets attributable to unitholders in the statement of financial position. The Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of listed securities where necessary.

The Fund offers classes of redeemable units that accumulate income (A Units, B Units, C Units USD, C Units RMB, C Units AUD Hedged, C Units CAD Hedged, C Units HKD Hedged, C Units NZD Hedged, C Units RMB Hedged, P Units USD, P Units classes RMB Hedged, P Units classes RMB unhedged, X Units and Z Units, collectively referred to as "Accumulation Classes") or pay regular dividends out of net income or on occasion make payments out of capital (C Units MDis USD, C Units MDis HKD, C Units MDis RMB, C Units MDis RMB Hedged, collectively referred to as the "Distribution Classes"). The Manager currently does not aim to pay dividends with respect to Accumulation Classes. Therefore, any net income and net realised profits attributable to the units of the Accumulation Classes will be reflected in their respective Net Asset Values.

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6 REDEEMABLE UNITS (Continued)

#### Number of units in issue

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

	2024	2023
<b>Number of units</b>		
A Units	549,174	629,830
B Units	901,667	1,000,430
C Units USD	16,417,790	19,148,915
C Units RMB	526,529	487,680
C Units AUD Hedged	2,543,306	2,843,106
C Units CAD Hedged	576,315	724,508
C Units HKD Hedged	4,136,232	5,013,555
C Units NZD Hedged	558,453	697,816
C Units RMB Hedged	4,718,710	5,893,465
C Units MDis USD	3,103,194	3,915,501
C Units MDis HKD	24,800,613	33,861,367
C Units MDis RMB	347,091	243,570
C Units MDis RMB Hedged	10,205,652	19,400,352
P Units USD	61,612	75,538
P Units classes RMB Hedged	26,640,857	20,494,221
P Units classes RMB Unhedged	1,678,130	1,639,072
X Units	3,975	13,566
Z Units	106,000	3,387,918

	2024	2023
<b>Net asset value per unit</b>		
A Units	USD368.77	USD329.72
B Units	USD159.89	USD143.68
C Units USD	USD20.00	USD17.97
C Units RMB	RMB15.14	RMB13.21
C Units AUD Hedged	AUD14.17	AUD13.00
C Units CAD Hedged	CAD14.77	CAD13.44
C Units HKD Hedged	HKD12.84	HKD11.69
C Units NZD Hedged	NZD15.23	NZD13.82
C Units RMB Hedged	RMB13.17	RMB12.18
C Units MDis USD	USD7.83	USD7.27
C Units MDis HKD	HKD7.78	HKD7.26
C Units MDis RMB	RMB8.58	RMB7.62
C Units MDis RMB Hedged	RMB7.33	RMB6.87
P Units USD	USD8.1294	USD7.3094
P Units classes RMB Hedged	RMB9.7482	RMB9.0267
P Units classes RMB Unhedged	RMB11.1076	RMB9.6877
X Units	USD11.99	USD10.64
Z Units	USD10.91	USD9.84

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

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

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

#### **(a) Management fees**

The Manager is entitled to receive management fees which represent 0.75% per annum of that portion of the net asset value of the Fund attributable to A units and Z units and 1.25% per annum of that portion of the net asset value of the Fund attributable to B units, C units, C units – Hedged, C units – MDis and P unit RMB classes. No management fees shall be payable for X units. The management fees are calculated and accrued daily and payable monthly in arrears.

#### **(b) Performance fees**

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

#### **(c) Trustee and fund administration fees**

The Trustee is entitled to receive a trustee and fund administration fees which represents a variable fee of (i) 0.15% per annum on the first US\$150 million of the net asset value of the Fund; (ii) 0.13% per annum on the next US\$150 million of the net asset value of the Fund; and (iii) 0.11% per annum thereafter. Under the terms of the Trust Deed, the Trustee is also entitled to a fixed annual fee of US\$4,500. The variable fee was calculated and accrued daily and payable monthly in arrears.

#### **(d) Registrar fees**

The Trustee is also entitled to 0.03% per annum of the Fund's NAV for the services provided as the Fund's registrar.

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

#### (e) The Trustee's, the Manager's and their related parties' holding in the Fund and entitled to profit/loss from transactions in units

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

	As at 1 January	Transactions in units		As at 31 December
		Issue of units	Redemption of units	
<b>2024</b>				
<b>A Units</b>				
Director of the Manager	34,669	-	-	34,669
Spouse of a director of the Manager	6,615	-	-	6,615
<b>B Units</b>				
Director of the Manager	14,749	-	-	14,749
Spouse of a director of the Manager	1,992	-	-	1,992
<b>C Units</b>				
Value Partners Limited*	-	1,499	(1,499)	-
Sensible Asset Management Limited**	22,642	-	(22,642)	-
GF Securities (Hong Kong) Brokerage Limited***	29,736	919	(6,495)	24,160
<b>X Units</b>				
Value Partners Limited*	13,566	6	(9,597)	3,975

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

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

**(e) The Trustee's, the Manager's and their related parties' holding in the Fund and entitled to profit/loss from transactions in units (Continued)**

	As at 1 January	Transactions in units		As at 31 December
		Issue of units	Redemption of units	
<b>2023</b>				
<b>A Units</b>				
Director of the Manager	34,669	-	-	34,669
Spouse of a director of the Manager	6,615	-	-	6,615
<b>B Units</b>				
Director of the Manager	14,749	-	-	14,749
Spouse of a director of the Manager	1,992	-	-	1,992
<b>C Units</b>				
Value Partners Limited*	-	2,231	(2,231)	-
Sensible Asset Management Limited**	-	22,642	-	22,642
<b>X Units</b>				
Value Partners Limited*	40,035	5,173	(31,642)	13,566

\* Value Partners Limited is a fellow subsidiary of the Manager.

\*\* An ex-director of the Manager's parent company held the units in the Fund through Sensible Asset Management Limited as at 31 December 2024 and 2023.

\*\*\* GF Securities (Hong Kong) Brokerage Limited is a connected person of the Manager since 4 January 2025. The units held by the connected person considered as related party transaction since 4 January 2025.

Note During the year ended 31 December 2024 and 2023, the Manager and its related parties' holding in the Fund are entitled to the distribution based on their holding of the units of the relevant Fund, refer to Note 10 for details.

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

#### (f) Investment in funds managed by the Manager or its related parties

During the year ended 31 December 2024, the Fund did not invest in other funds, which are also managed by the Manager or its related party.

During the year ended 31 December 2023, the Fund invested in other funds, which are also managed by the Manager or its related party. Refer to note 5 for further details.

In accordance with the Fund's Explanatory Memorandum, the managers of these funds have waived the management fees payable by the Fund by refunding the relevant fees to the Fund, which is included in the statement of comprehensive income as "other income". For the year ended 31 December 2024 and 2023, no management fees were waived.

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

In addition to the trustee and fund administration fees of US\$1,035,785 (2023: US\$1,178,518), as disclosed in note 7(c), the Fund had the following additional transactions with the Trustee and its related parties. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

	2024 US\$	2023 US\$
Interest on bank deposits	183,677	95,195
Transaction costs*	(131,363)	(39,573)
Interest expenses	(280,761)	(759,234)
Safe custody and bank charges	(8,766)	(4,639)
Sub custodian fees expenses	(263,098)	(235,982)
Registrar and transfer agent fees expenses	(216,156)	(246,907)
Annual service fees	<u>(5,558)</u>	<u>(5,447)</u>

\* Such amount represents transaction handling fee and paid commission to the related parties of the Trustee for the purchases and sales of investments during the years ended 31 December 2024 and 2023 as follows:



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

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

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

	<b>2024</b> <i>US\$</i>	<b>2023</b> <i>US\$</i>
<b>The Hongkong and Shanghai Banking Corporation Limited</b>		
Total commission paid	101,505	15,355
Total aggregate value of the purchases and sales	141,703,005	10,245,612
Average rate of commission	0.07%	0.15%
% of transactions to the total purchases and sales of the Fund	<u>5.22%</u>	<u>0.63%</u>

In addition to the trustee and fund administration fees payable of US\$87,415 (2023: US\$84,213) and registrar fees payable of US\$18,079 (2023: US\$17,515), as disclosed in Note 7(c), the Fund had the following additional balances with the Trustee and its related parties.

	<b>2024</b> <i>US\$</i>	<b>2023</b> <i>US\$</i>
Financial assets at fair value through profit or loss	815,023,655	873,809,757
Cash and cash equivalents	11,322,475	27,155,329
Bank overdrafts	–	(2,215,932)
Interest receivable	509	12,269
Financial liabilities at fair value through profit or loss	(389,341)	(7,908)
Transaction costs payable	(1,492)	(2,607)
Interest expenses payable	–	(16,525)
Safe custody and bank charges payable	(2)	(2)
Annual service fees payable	<u>(987)</u>	<u>(969)</u>

During the years ended 31 December 2024 and 2023, the Fund entered into forward exchange contracts with The Hongkong and Shanghai Banking Corporation Limited, a connected person of the Trustee, with realised loss amounting to US\$6,022,456 (2023: US\$4,167,702). As at 31 December 2024, the Fund held the outstanding forward exchange contracts as financial assets US\$9,187 (2023: US\$816,302) and financial liabilities US\$389,341 (2023: US\$7,908) respectively with The Hongkong and Shanghai Banking Corporation Limited.

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 8 TAXATION

##### (a) Hong Kong

No provision for Hong Kong profits tax has been made as the dividend and interest income and realised gains on sales of investments of the Fund are excluded from the charge to profits tax under Section 14, 26 or 26A of the Hong Kong Inland Revenue Ordinance.

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

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

The Fund invests in various derivative instruments linked to "A" shares of companies listed in the PRC and in "A" shares through Stock Connect. Prior to 17 November 2014, a 10% tax was withheld by the relevant Qualified Foreign Institutional Investors ("QFIIs") on all PRC sourced dividends and realised capital gains. With effect from 17 November 2014, a 10% tax is only withheld on all PRC sourced dividends only.

##### ***Capital gains tax on A-shares in PRC***

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

The Fund invests in A-shares traded via Shanghai-Hong Kong Stock Connect/Shenzhen-Hong Kong Stock Connect is subjected to 10% WIT on dividend income derived from the shares. WIT was charged on dividend income received from the shares during the years ended 31 December 2024 and 2023.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 8 TAXATION (Continued)

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

##### *Capital gains tax on H-shares in PRC*

The Fund has investments in shares of companies in PRC listed on the Hong Kong Stock Exchange ("H-shares"). Under general taxing provisions of the Corporate Income Tax Law ("CIT Law"), a Fund could be technically subject to 10% withholding income tax ("WIT") on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties. However, there may be practical difficulty for the PRC tax authorities to impose and collect WIT on such capital gains. The 10% WIT has not been strictly enforced by local tax bureau on capital gains derived by non-tax resident enterprises of the PRC from the trading of H-shares. Where capital gains are derived from trading of H-shares, VAT in general is not imposed as the purchase and disposal are often concluded and completed outside the PRC.

No provision was made for taxation from such gains in the financial statements as the Manager believes that the taxation on capital gains derived from H-shares is not probable under the current enforcement environment.

#### (c) Other jurisdictions

Overseas withholding tax was charged on certain dividend and investment income received during the years ended 31 December 2024 and 2023.

### 9 TRANSACTION COSTS

During the years ended 31 December 2024 and 2023, following transaction costs were incurred by the Fund.

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Brokerage fees	2,888,505	1,877,704
Other transaction costs	2,705,130	1,856,893
Transaction handling fees	29,858	24,218
	<u>5,623,493</u>	<u>3,758,815</u>

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10 DISTRIBUTION TO DISTRIBUTION CLASSES

As referred to in note 6, the Manager may determine to make a distribution out of the net income and/or capital attributable to Distribution Classes. The table below summarises the dividend distribution made during the reporting period. The distribution is included in the statement of comprehensive income and is made to the Distribution Classes only.

	2024 US\$	2023 US\$
Total comprehensive income/(loss) for the year	<u>84,351,543</u>	<u>(59,623,886)</u>
Distributions to Distribution Classes unitholders during the year	<u>1,826,276</u>	<u>2,288,127</u>

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

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

Classes	2024	2023	Frequency	Ex-dividend dates*
C Units MDis USD	USD0.0196	USD0.0196	Monthly	Last business day of January to December
C Units MDis HKD	HKD0.0194	HKD0.0194	Monthly	Last business day of January to December
C Units MDis RMB	RMB0.0067	RMB0.0197	Monthly	Last business day of January to March
C Units MDis RMB	RMB0.0067	RMB0.0067	Monthly	Last business day of April to July
C Units MDis RMB	RMB0.0209	RMB0.0067	Monthly	Last business day of August to December
C Units MDis RMB Hedged	RMB0.0063	RMB0.0187	Monthly	Last business day of January to March
C Units MDis RMB Hedged	RMB0.0063	RMB0.0063	Monthly	Last business day of April to July
C Units MDis RMB Hedged	RMB0.0063	RMB0.0063	Monthly	Last business day of August to December

\* Last business day of each month in 2024 are 31 January 2024, 29 February 2024, 28 March 2024, 30 April 2024, 31 May 2024, 28 June 2024, 31 July 2024, 30 August 2024, 30 September 2024, 31 October 2024, 29 November 2024 and 31 December 2024.

Last business day of each month in 2023 are 31 January 2023, 28 February 2023, 31 March 2023, 28 April 2023, 31 May 2023, 30 June 2023, 31 July 2023, 31 August 2023, 29 September 2023, 31 October 2023, 30 November 2023 and 29 December 2023.

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

### **11 SOFT DOLLAR ARRANGEMENTS**

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

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

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

For the year ended 31 December 2024, the Manager obtained the services through soft dollar arrangements on transactions amounting to US\$1,502,267,179 (2023:US\$881,191,168). The related commission that have been paid by the Fund for these transactions amounted to US\$2,006,832 (2023: US\$1,150,885).

### **12 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Trustee and the Manager on 30 April 2025.

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 DECEMBER 2024

	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>			
Amlogic (Shanghai) Co., Ltd. Class A	575,280	5,386,535	0.66
Anhui Gujing Distillery Co., Ltd. Class A	168,611	3,983,679	0.48
Baoshan Iron & Steel Co., Ltd. Class A	1,864,200	1,779,059	0.22
Contemporary Ampere Technology Co., Ltd. Class A	171,020	6,201,952	0.75
Foxconn Industrial Internet Co., Ltd. Class A	2,616,900	7,670,532	0.93
Hunan Valin Steel Co., Ltd. Class A	4,676,160	2,664,806	0.32
Inner Mongolia Yili Industrial Group Co., Ltd. Class A	1,506,100	6,196,878	0.75
Jiangsu Zhongtian Technology Co., Ltd. Class A	1,935,400	3,778,450	0.46
Kweichow Moutai Co., Ltd. Class A	10,837	2,251,614	0.27
LB Group Co., Ltd. Class A	661,800	1,594,275	0.19
Luxshare Precision Industry Co. Ltd. Class A	851,200	4,730,049	0.58
Luzhou Laojiao Company Limited Class A	329,300	5,620,772	0.68
Ningbo Orient Wires & Cables Co Ltd Class A	325,900	2,334,839	0.28
Poly Developments & Holdings Group Co., Ltd. Class A	1,800,775	2,175,169	0.27
Sany Heavy Industry Co., Ltd. Class A	2,316,300	5,204,175	0.63
Shanghai United Imaging Healthcare Co., Ltd. Class A	140,422	2,419,815	0.29
Sieyuan Electric Co., Ltd. Class A	126,700	1,255,772	0.15
Suzhou Dongshan Precision Manufacturing Co., Ltd Class A	490,800	1,953,832	0.24
Wus Printed Circuit (Kunshan) Co., Ltd. Class A	1,074,964	5,810,814	0.71
Zhejiang Sanhua Intelligent Controls Co., Ltd. Class A	1,678,312	5,379,293	0.65
		<u>78,392,310</u>	<u>9.51</u>

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

AS AT 31 DECEMBER 2024

	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 – H Shares</i></b>			
Agricultural Bank of China Limited Class H	14,587,000	8,322,814	1.01
BYD Company Limited Class H	416,000	14,284,135	1.73
China Construction Bank Corporation Class H	20,023,000	16,711,085	2.03
China Galaxy Securities Co., Ltd. Class H	3,524,500	3,218,431	0.39
China International Capital Corp. Ltd. Class H	1,144,400	1,889,585	0.23
China Life Insurance Co. Ltd. Class H	4,402,000	8,322,936	1.01
China Merchants Bank Co., Ltd. Class H	6,446,000	33,208,616	4.03
China Pacific Insurance (Group) Co., Ltd. Class H	922,000	2,992,485	0.36
CITIC Securities Co. Ltd. Class H	852,000	2,342,815	0.29
Dongfeng Motor Group Co., Ltd. Class H	7,318,000	3,506,193	0.43
Fuyao Glass Industry Group Co., Ltd. Class H	826,000	5,952,243	0.72
Industrial and Commercial Bank of China Limited Class H	24,942,000	16,736,687	2.03
New China Life Insurance Co., Ltd. Class H	981,900	2,984,556	0.36
Pharmaron Beijing Co., Ltd. Class H	1,665,900	3,025,300	0.37
Ping An Insurance (Group) Company of China, Ltd. Class H	2,488,000	14,756,403	1.79
Tsingtao Brewery Co., Ltd. Class H	196,000	1,433,854	0.18
Zhejiang Leapmotor Technology Co., Ltd. Class H	969,600	4,064,846	0.49
Zhuzhou CRRC Times Electric Co., Ltd. Class H	3,419,900	14,447,335	1.75
Zijin Mining Group Co., Ltd. Class H	1,992,000	3,627,766	0.44
Zoomlion Heavy Industry Science & Technology Co. Ltd. Class H	9,247,200	6,788,684	0.83
		168,616,769	20.47
<b><i>Hong Kong – Red Chips</i></b>			
China Mobile Limited	1,693,000	16,702,682	2.03
China Resources Land Limited	2,985,000	8,669,446	1.05
China Taiping Insurance Holdings Co., Ltd.	1,539,600	2,304,170	0.28
SIIC Environment Holdings Ltd.	203,741,980	24,404,166	2.96
		52,080,464	6.32

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2024

	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 – Others</i></b>			
AIA Group Limited	2,747,800	19,924,802	2.42
Alibaba Group Holding Limited	2,262,400	24,010,273	2.91
ANTA Sports Products Ltd.	1,300,400	13,038,753	1.58
BeiGene Ltd	539,500	7,587,777	0.92
BYD Electronic (International) Co., Ltd.	449,000	2,431,716	0.30
China Lesso Group Holdings Limited	6,038,000	2,698,504	0.33
Cowell e Holdings Inc.	346,000	1,261,139	0.15
Galaxy Entertainment Group Limited	629,000	2,673,407	0.32
Hong Kong Exchanges & Clearing Ltd.	128,000	4,860,019	0.59
Innovent Biologics, Inc.	469,500	2,213,182	0.27
JD.com, Inc. Class A	225,800	3,955,153	0.48
Meituan Class B	1,853,000	36,204,411	4.39
MINISO Group Holding Ltd.	606,600	3,675,890	0.45
Netease Inc	216,100	3,852,045	0.47
Sands China Ltd.	1,225,600	3,299,100	0.40
Techtronic Industries Co., Ltd.	311,500	4,112,278	0.50
Tencent Holdings Ltd.	1,492,600	80,164,111	9.73
Trip.com Group Ltd.	731,350	50,865,055	6.17
Xiaomi Corp. Class B	15,772,200	70,082,867	8.51
		336,910,482	40.89
<b><i>Taiwan</i></b>			
Elite Material Co., Ltd.	324,000	6,096,270	0.74
Gigabyte Technology Co., Ltd.	1,389,000	11,523,900	1.40
Hon Hai Precision Industry Co., Ltd.	2,110,000	11,820,369	1.43
Sporton International Inc.	1,090,000	6,869,539	0.83
Taiwan Semiconductor Manufacturing Co., Ltd.	2,374,000	77,699,802	9.43
Taiwan Union Technology Corporation	413,000	2,137,616	0.26
Tripod Technology Corporation	1,130,000	6,794,794	0.83
Zhen Ding Technology Holding Limited	3,164,000	11,559,750	1.40
		134,502,040	16.32



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

AS AT 31 DECEMBER 2024

	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>			
<i><b>The United States of America</b></i>			
Kanzhun Ltd. Sponsored ADR	125,147	1,727,028	0.21
PDD Holdings Inc. Sponsored ADR Class A	87,028	8,440,846	1.02
Trip.com Group Ltd. Sponsored ADR	343,721	23,599,884	2.86
ZEEKR Intelligent Technology Holding Limited Sponsored ADR	228,453	6,483,496	0.79
		<u>40,251,254</u>	<u>4.88</u>
<b>Participation notes</b>			
CICC Financial Trading Limited (Smartsens Technology Shanghai Co Ltd A Shrs) P Note 12/23/2027	400,183	4,261,149	0.52
		<u>4,261,149</u>	<u>0.52</u>
<b>Unlisted equity securities</b>			
EganaGoldpfeil Holdings Ltd	6,885,464	-	-
		<u>-</u>	<u>-</u>
<b>Forward exchange contracts</b>			
		<u>9,187</u>	<u>0.00</u>
<b>Total financial assets at fair value through profit or loss</b>			
		<u>815,023,655</u>	<u>98.91</u>

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

### INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 31 DECEMBER 2024

	Holdings	Fair value US\$	% of net assets
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
Forward exchange contracts		(389,341)	(0.05)
		<u>-----</u>	<u>-----</u>
Total financial liabilities at fair value through profit or loss		(389,341)	(0.05)
		<u>-----</u>	<u>-----</u>
Total investments, net		<u>814,634,314</u>	<u>98.86</u>
Total investments, at cost		<u>793,735,192</u>	

**INVESTMENT PORTFOLIO MOVEMENTS (UNAUDITED)**

FOR THE YEAR ENDED 31 DECEMBER 2024

	<b>% of net assets</b>	
	<b>2024</b>	<b>2023</b>
<b>Listed equity securities</b>		
China	9.51	15.86
Hong Kong		
– H shares	20.47	9.11
– Red chips	6.32	8.44
– Others	40.89	23.19
Taiwan	16.32	26.00
The United States of America	4.88	13.11
	<hr/>	<hr/>
	98.39	95.71
<b>Rights</b>		
Taiwan	–	0.00
<b>Participation notes</b>	0.52	1.86
<b>Unlisted equity securities</b>	0.00	–
<b>Unlisted investment funds</b>	–	0.09
<b>Forward exchange contracts</b>	(0.05)	0.09
	<hr/>	<hr/>
<b>Total investments, net</b>	<u>98.86</u>	<u>97.75</u>

**VALUE PARTNERS CLASSIC FUND**  
(A Hong Kong Unit Trust)

**DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS  
(UNAUDITED)**  
*AS AT 31 DECEMBER 2024*

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

**Financial assets:**

**Participation notes**

	<b>Underlying assets</b>	<b>Issuer</b>	<b>Fair value</b> <i>US\$</i>
CICC Financial Trading Limited (Smartsens Technology Shanghai Co Ltd A Shrs) P Note 12/23/2027	Smartsens Technology Shanghai Co Ltd A Shrs	CICC Financial Trading Ltd	<u>4,261,149</u>
			<u><u>4,261,149</u></u>

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

AS AT 31 DECEMBER 2024

**Financial assets (Continued):**

**Forward exchange contracts**

Currency sold	Amount Sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
CNH	2,145,358	USD	293,438	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	850
CNH	945,872	USD	129,561	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	562
CNH	511,387	USD	70,057	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	313
CNH	87,253	USD	11,934	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	35
CNH	41,060	USD	5,623	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	23
CNH	40,229	USD	5,507	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	20
CNH	8,598	USD	1,178	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	5
CNH	197	USD	27	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	0
USD	6,803,823	HKD	52,842,379	28 January 2025	The Hongkong and Shanghai Banking Corporation Limited	3,856
USD	127	HKD	990	28 January 2025	The Hongkong and Shanghai Banking Corporation Limited	0
USD	5,897,420	CAD	8,469,249	31 January 2025	The Hongkong and Shanghai Banking Corporation Limited	3,523
						<u>9,187</u>

## VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

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

AS AT 31 DECEMBER 2024

#### Financial liabilities:

#### Forward exchange contracts

Currency sold	Amount sold	Currency bought	Amount bought	Settlement date	Counter party	Fair value US\$
USD	255	CNH	1,858	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(1)
USD	405	CNH	2,958	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(1)
USD	601	CNH	4,388	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(3)
USD	1,006	CNH	7,341	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(5)
USD	2,039	CNH	14,877	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(10)
USD	2,777	CNH	20,280	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(11)
USD	15,484	CNH	113,044	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(67)
USD	8,541,850	CNH	62,332,407	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(40,830)
USD	10,226,217	CNH	74,623,731	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(48,882)
USD	36,024,004	CNH	262,877,822	27 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(172,196)
HKD	7,344	USD	945	28 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(1)
USD	187	AUD	300	31 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(0)
USD	22,395,634	AUD	35,845,231	31 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(115,611)
USD	640	NZD	1,134	31 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(1)
USD	4,772,938	NZD	8,456,628	31 January 2025	The Hongkong and Shanghai Banking Corporation Limited	(11,722)
						<u>(389,341)</u>

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

*FOR THE YEAR ENDED 31 DECEMBER 2024*

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund's total net asset value for the years ended 31 December 2024 and 2023.

	<b>2024</b>	<b>2023</b>
Lowest gross exposure	10.47%	12.59%
Highest gross exposure	40.60%	62.58%
Average gross exposure	16.64%	21.20%

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Fund's total net asset value for the years ended 31 December 2024 and 2023.

	<b>2024</b>	<b>2023</b>
Lowest net exposure	–	1.06%
Highest net exposure	1.83%	2.67%
Average net exposure	0.26%	1.93%

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## PERFORMANCE RECORD (UNAUDITED)

### Net assets (at last traded price)

	2024	2023	2022
<b>Net assets</b>	US\$824,024,360	US\$893,894,819	US\$1,037,132,390
<b>Net asset value per unit</b>			
A Units	USD368.77	USD329.72	USD346.90
B Units	USD159.89	USD143.68	USD151.92
C Units USD	USD20.00	USD17.97	USD19.01
C Units RMB	RMB15.14	RMB13.21	RMB13.65
C Units AUD Hedged	AUD14.17	AUD13.00	AUD14.11
C Units CAD Hedged	CAD14.77	CAD13.44	CAD14.40
C Units HKD Hedged	HKD12.84	HKD11.69	HKD12.52
C Units NZD Hedged	NZD15.23	NZD13.82	NZD14.83
C Units RMB Hedged	RMB13.17	RMB12.18	RMB13.30
C Units MDis USD	USD7.83	USD7.27	USD7.92
C Units MDis HKD	HKD7.78	HKD7.26	HKD7.90
C Units MDis RMB	RMB8.58	RMB7.62	RMB7.99
C Units MDis RMB Hedged	RMB7.33	RMB6.87	RMB7.61
P Units USD	USD8.1294	USD7.3094	USD7.7309
P Units classes RMB Hedged	RMB9.7482	RMB9.0267	RMB9.8577
P Units classes RMB Unhedged	RMB11.1076	RMB9.6877	RMB10.0194
X Units	USD11.99	USD10.64	USD11.11
Z Units	USD10.91	USD9.84	USD10.36



## PERFORMANCE RECORD (UNAUDITED) (Continued)

### Performance record for the past 10 years

	Highest issue price per unit								
	A Units	B Units	C Units USD	C Units RMB	C Units	C Units	C Units	C Units	C Units
					AUD	CAD	HKD	NZD	RMB
					Hedged	Hedged	Hedged	Hedged	Hedged
	USD	USD	USD	RMB	AUD	CAD	HKD	NZD	RMB
2024	420.30	182.45	22.82	16.65	16.22	16.92	14.69	17.43	15.13
2023	396.67	173.65	21.72	15.16	16.08	16.44	14.30	16.92	15.15
2022	481.36	211.86	26.50	17.41	20.31	20.39	17.59	21.08	18.70
2021	620.31	274.12	34.35	23.00	26.79	26.73	22.84	27.79	24.00
2020	516.47	228.34	28.61	19.31	22.35	22.25	19.00	23.15	19.94
2019	375.76	166.66	20.93	15.04	16.97	16.61	14.05	17.66	14.50
2018	412.64	184.71	23.16	15.31	19.23	18.76	15.93	19.69	16.04
2017	380.23	170.37	21.34	14.41	17.85	17.14	14.69	18.35	14.80
2016	281.21	126.76	15.99	10.93	13.17	12.83	10.84	13.21	10.49
2015	337.67	153.19	19.45	10.27	15.93	15.80	10.39	15.88	10.03

	Highest issue price per unit								
	C Units MDis USD	C Units MDis HKD	C Units MDis RMB	C Units MDis RMB Hedged	P Units	P Units	X Units	Z Units	
					classes	classes			
					RMB	RMB			
	USD	HKD	RMB	RMB	USD	Unhedged RMB			
2024	9.01	8.95	9.50	8.45	9.2784	11.2056	12.2167	13.64	12.55
2023	9.06	9.06	8.88	8.67	8.7410	11.1077	10.9859	12.71	11.84
2022	11.37	11.33	10.50	11.18	10.2483	13.8451	12.7471	15.35	14.37
2021	15.10	14.91	14.15	14.82	-	17.4916	16.4926	20.23	18.50
2020	12.58	12.44	11.93	12.31	-	14.7665	14.0769	16.34	15.40
2019	9.54	9.46	9.77	9.34	-	10.7995	11.1842	11.27	11.38
2018	11.35	11.38	10.83	11.33	-	-	-	-	12.51
2017	10.55	10.54	10.52	10.52	-	-	-	-	11.52
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-

# VALUE PARTNERS CLASSIC FUND

(A Hong Kong Unit Trust)

## PERFORMANCE RECORD (UNAUDITED) (Continued)

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

	Lowest redemption price per unit								
	A Units	B Units	C Units USD	C Units RMB	C Units	C Units	C Units	C Units	C Units
					AUD	CAD	HKD	NZD	RMB
					Hedged	Hedged	Hedged	Hedged	Hedged
	USD	USD	USD	RMB	AUD	CAD	HKD	NZD	RMB
2024	304.02	132.45	16.57	12.33	11.96	12.38	10.77	12.73	11.22
2023	309.68	135.07	16.90	12.76	12.27	12.66	11.00	13.02	11.51
2022	264.69	116.02	14.51	10.88	10.87	11.03	9.57	11.40	10.25
2021	466.46	205.34	25.69	16.94	19.69	19.77	17.05	20.43	18.10
2020	285.45	126.47	15.88	11.68	12.69	12.52	10.66	13.25	11.00
2019	273.81	122.04	15.31	10.95	12.59	12.25	10.35	13.02	10.64
2018	278.60	124.19	15.58	11.14	12.82	12.48	10.54	13.26	10.81
2017	255.63	115.04	14.51	10.44	11.99	11.62	9.89	12.11	9.68
2016	281.21	126.76	15.99	10.93	13.17	12.83	10.84	13.21	10.49
2015	337.67	153.19	19.45	10.27	15.93	15.80	10.39	15.88	10.03

	Lowest redemption price per unit								
	C Units MDis USD	C Units MDis HKD	C Units MDis RMB	C Units MDis RMB Hedged	P Units	P Units	X Units	Z Units	
					classes	classes			
					RMB	RMB			
	USD	HKD	RMB	RMB	USD	Hedged RMB	Unhedged RMB	USD	USD
2024	6.70	6.70	7.10	6.32	6.7379	8.3089	9.0436	9.82	9.08
2023	6.88	6.88	7.37	6.51	6.8711	8.5306	9.3595	9.98	9.24
2022	6.09	6.11	6.42	5.90	5.9039	7.5944	7.9867	8.50	7.90
2021	11.04	11.00	10.23	10.86	-	13.4158	12.4374	14.87	13.93
2020	7.16	7.08	7.51	7.00	-	8.1712	8.6702	8.57	8.65
2019	7.21	7.19	7.36	7.13	-	8.9235	9.2481	9.21	8.30
2018	7.37	7.34	7.51	7.29	-	-	-	-	8.45
2017	9.64	9.67	9.59	9.63	-	-	-	-	9.96
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-