

**VALUE PARTNERS ASSET ALLOCATION FUND
VALUE PARTNERS HK EQUITY 50 FOCUS FUND
VALUE PARTNERS CHINA HK BOND AND GOLD FUND**

(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

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VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

GENERAL INFORMATION**Manager**

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

Directors of the Manager

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

Trustee, Custodian and Registrar

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

Auditor

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

Legal Advisor

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

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GENERAL INFORMATION (Continued)

Recent awards and achievements

Corporate awards

- 2023**
 - **The Lifetime Achievement Award**
 - **Winner: Dato' Seri Cheah Cheng Hye**
 - *Asia Asset Management*
 - **ESG Leading Enterprise Awards of the Year 2022/2023**
 - **Outstanding performance in Environmental, Social, and Governance (“ESG”) initiatives**
 - *Master-Insight*
 - **Best Exchange Traded Fund (ETF) Issuer 2022**
 - **Winner: Value Partners Malaysia**
 - *Bursa Malaysia Award*
- 2022**
 - **Asian Private Banker Asset Management Awards for Excellence 2022**
 - **Best Fund Provider - Multi-Asset Solution**
 - *Asian Private Banker*
 - **2022 China Rankings Top 25 Foreign Firms in China**
 - **Value Partners is ranked in the 16th**
 - *Z-Ben Advisor*
 - **AsianInvestor Asset Management Awards 2022**
 - **Asset Class Awards: Asia ex-Japan equity**
 - *Asianinvestor*
- 2021**
 - **Asian Private Banker Asset Management Awards for Excellence 2021**
 - **Best Fund Provider - High Yield Bond**
 - *Asian Private Banker*
 - **Listed Company Awards of Excellence 2021**
 - **Value Partners Group Limited: Outstanding Listed Company**
 - *Hong Kong Economic Journal*

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MANAGER'S REPORT

VALUE PARTNERS ASSET ALLOCATION FUND

Global financial markets remained volatile in the first half of 2023, driven by the banking woes in the US and Europe, as well as ongoing inflation and recession risks in the West. Meanwhile, in China, while investors were initially optimistic toward the markets following the country's reopening late last year, China's post-Covid recovery has lost momentum in the past few months.

For the one-year period ending 31 May 2023, the Fund recorded losses of 9.6%. Since inception, the Fund was down 2.4%. In comparison, the reference benchmark (50% FTSE MPF HK + 25% Markit iBoxx ALBI HK + 25% HK 3M HIBOR) performed -5.4% and 1.8% over the same periods, respectively. The Fund has been fully redeemed by unitholders on 21 June 2023 and is in the process of termination.

The China equities market declined during the period, dragged by softened macroeconomic indicators as China's post-Covid recovery lost momentum.

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

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

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

Outlook

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

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

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MANAGER'S REPORT (CONTINUED)

VALUE PARTNERS HK EQUITY 50 FOCUS FUND

Global financial markets remained volatile during the fiscal year ending 30 June 2023, driven by the banking woes in the US and Europe, as well as ongoing inflation and recession risks in the West. Meanwhile, in China, while investors were initially optimistic toward the markets following the country's reopening late last year, China's post-Covid recovery has lost momentum in the past few months.

The Fund recorded 9.7% in losses since its inception and was down 14.6% in the fiscal year ended 30 June 2023. In comparison, the reference benchmark, the FTSE MPF Hong Kong Index, performed -8.4% and -13.1% over the respective periods.

Hong Kong's equities market declined during the period, dragged by softened macroeconomic indicators as China's post-Covid recovery lost momentum.

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

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MANAGER'S REPORT (CONTINUED)

VALUE PARTNERS CHINA HK BOND AND GOLD FUND

Global financial markets remained volatile during the fiscal year ending 30 June 2023, driven by the banking woes in the US and Europe, as well as ongoing inflation and recession risks in the West. Meanwhile, in China, while investors were initially optimistic toward the markets following the country's reopening late last year, China's post-Covid recovery has lost momentum in the past few months.

The Fund generated a 7.2% return since inception and rose 1.6% in the fiscal year ended 30 June 2023. In comparison, the reference benchmark (50% Markit iBoxx ALBI Hong Kong + 50% HK 3M HIBOR) had returns of 8.0% and 2.2% over the same periods, respectively.

The China equities market declined during the period, dragged by softened macroeconomic indicators as China's post-Covid recovery lost momentum.

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INVESTMENT REPORT (UNAUDITED)

FOR THE YEAR ENDED 30 JUNE 2023

INVESTMENT OBJECTIVES AND POLICIES

Value Partners Choice Investment Funds (the “Fund”) is an umbrella unit established under the laws of Hong Kong and governed by the Trust Deed dated 30 January 2013 (as amended) with HSBC Institutional Trust Services (Asia) Limited as the trustee (the “Trustee”).

The Fund offers three sub-funds with different investment objectives and policies.

The sub-funds of the Fund are Value Partners Asset Allocation Fund, Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund. (each individually the “Sub-Fund” or collectively, the “Sub-Funds”).

Separate and distinct investment policies are applied in the investments of each Sub-Fund. The respective investment objectives and policies are set out below. There have been no changes to the investment objectives and policies of each Sub-Fund during the year.

Value Partners Asset Allocation Fund

The investment objective of Value Partners Asset Allocation Fund is to achieve investment returns that maximise long-term capital growth potential with medium-high volatility. The Sub-Fund aims to achieve its investment objective through investing in two or more Approved Pooled Investment Funds to obtain exposure to mainly Hong Kong equities and Hong Kong and China debt securities. The Sub-Fund was fully redeemed on 21 June 2023.

Value Partners HK Equity 50 Focus Fund

Value Partners HK Equity 50 Focus Fund seeks to provide long-term capital appreciation. The Sub-Fund aims to achieve its investment objective through investing primarily in around 50 constituents selected from the FTSE MPF Hong Kong Index.

Value Partners China HK Bond and Gold Fund

The investment objective of Value Partners China HK Bond and Gold Fund is to seek long term stable return from a combination of current income and capital appreciation. The Sub-Fund aims to achieve its investment objective by investing primarily in a diversified portfolio of debt securities issued by (i) companies or issuers listed, established in or operating principally in, or which derive or are expected to derive a significant portion of their earnings or revenues from or which have part of their assets, production activities or other business interests based in or related to China and/or Hong Kong, and (ii) governments and government related entities in China or Hong Kong.

Commentary by the Trustee

The Trustee confirmed that based on the information received from the Manager of the Sub-Funds, to the best of the knowledge and belief of the Trustee, the investment objectives and policies for each Sub-Fund of the Fund were complied with during the year.

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INVESTMENT REPORT (UNAUDITED) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

PERFORMANCE RECORD

	Value Partners Asset Allocation Fund			Value Partners HK Equity 50 Focus Fund		
	2023 ¹ HK\$	2022 HK\$	2021 HK\$	2023 HK\$	2022 HK\$	2021 HK\$
Net (loss)/income excluding capital appreciation/(depreciation)	(303,148)	(212,113)	(282,332)	11,137,298	9,844,459	7,552,832
Capital (depreciation)/appreciation - Realised and unrealised	(72,502,250)	(147,646,704)	133,635,592	(95,514,149)	(145,039,439)	118,841,010
Income derived from investments	-	-	-	13,612,860	12,329,347	10,313,242
- Dividends	23,367	1,970	261	88,125	751	455
- Interest on bank deposits	-	-	-	-	-	-
Total net investments	-	792,276,452	846,013,897	491,187,003	508,055,983	587,926,026
Total net asset value	-	825,222,223	845,802,308	499,428,199	532,930,101	616,166,022
Net asset value per unit:	-	11.0141	13.2243	9.0295	10.5724	13.5907
- Class B units	-	-	-	-	-	-
Fund expense ratio ²	0.22%	0.24%	0.25%	0.17%	0.18%	0.18%
- Class B units	-	-	-	-	-	-
Transaction costs	-	-	-	638,041	434,450	1,426,759
- Class B units	-	-	-	-	-	-

¹ The Sub-Fund was fully redeemed on 21 June 2023.

² Pursuant to the MPFA Circular letter dated 1 November 2019, an investment in a listed REIT may be treated in the same way as an investment in shares of a listed company. Thus, effective 1 November 2019, the expenses incurred by a listed REIT is not required to be applied when calculating the fund expense ratio (FER).

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INVESTMENT REPORT (UNAUDITED) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

PERFORMANCE RECORD (CONTINUED)

	Value Partners China HK Bond and Gold Fund		
	2023 HK\$	2022 HK\$	2021 HK\$
Net (loss)/income excluding capital appreciation/(depreciation)	(490,144)	(514,075)	(582,759)
Capital appreciation/(depreciation) - Realised and unrealised	4,355,060	(11,940,104)	7,824,729
Income derived from investments			
- Dividends	-	-	-
- Interest on bank deposits	37,525	1,812	22,400
Total net investments	351,615,833	238,051,159	219,644,996
Total net asset value	356,904,909	259,346,351	229,847,875
Net asset value per unit:			
- Class B units	10.7167	10.5444	11.0422
Fund expense ratio ¹			
- Class B units	0.24%	0.25%	0.28%
Transaction costs			
- Class B units	7,736	7,696	6,259

¹ Pursuant to the MPPFA Circular letter dated 1 November 2019, an investment in a listed REIT may be treated in the same way as an investment in shares of a listed company. Thus, effective 1 November 2019, the expenses incurred by a listed REIT is not required to be applied when calculating the fund expense ratio (FER).

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INVESTMENT REPORT (UNAUDITED) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

PERFORMANCE RECORD (CONTINUED)

	Highest issue price per unit		
	Value Partners Asset Allocation Fund Class B HK\$	Value Partners HK Equity 50 Focus Fund Class B HK\$	Value Partners China HK Bond and Gold Fund Class B HK\$
2023	11.4919 ¹	11.1206	10.8969
2022	13.0391	13.3217	11.2083
2021	14.2670	15.0875	11.1130
2020	11.7909	11.7284	10.7147
2019	11.7177	11.9055	10.2546
2018 (since inception)	11.9959	12.9722	10.0343

	Lowest redemption price per unit		
	Value Partners Asset Allocation Fund Class B HK\$	Value Partners HK Equity 50 Focus Fund Class B HK\$	Value Partners China HK Bond and Gold Fund Class B HK\$
2023	8.4478 ¹	7.0690	9.9834
2022	10.1057	9.0391	10.4579
2021	11.1891	10.5453	10.7122
2020	9.9267	8.6584	10.2250
2019	10.7076	9.8952	9.8779
2018 (since inception)	9.9452	9.9273	9.9097

	Net investment return²		
	Value Partners Asset Allocation Fund Class B %	Value Partners HK Equity 50 Focus Fund Class B %	Value Partners China HK Bond and Gold Fund Class B %
2023	-1	(14.5937)	1.6340
2022	(16.7132)	(22.2086)	(4.5082)
2021	20.2340	31.7976	3.0565
2020	(2.4782)	(8.4632)	4.5908
2019	1.3133	(1.0914)	3.3410
2018 (since inception)	11.3221	14.1061	(0.7340)

¹ The Sub-Fund was fully redeemed on 21 June 2023.

² Net annual investment return represents the percentage change in the unit price during the year/period. For the first financial period (5 July 2017/6 July 2017 (date of commencement of operations) to 30 June 2018), the actual net investment return is shown.

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INVESTMENT REPORT (UNAUDITED) (CONTINUED)

INVESTMENT PORTFOLIO

AS AT 30 JUNE 2023

VALUE PARTNERS ASSET ALLOCATION FUND

The Sub-Fund did not hold any investments as at 30 June 2023.

VALUE PARTNERS HK EQUITY 50 FOCUS FUND

	Holdings	Fair value HK\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed equity securities			
Hong Kong – H Shares			
BYD Co Ltd H Shares	13,000	3,250,000	0.65
China Construction Bank Corp H Shares	3,445,000	17,466,150	3.50
China International Capital Corp Ltd H Shares	333,200	4,578,168	0.92
China Merchants Bank Co Ltd H Shares	323,500	11,516,600	2.31
China Pacific Insurance (Group) Co Ltd H Shares	540,600	10,947,150	2.19
China Petroleum & Chemical Corp H Shares	946,000	4,342,140	0.87
China Railway Group Ltd H Shares	969,000	5,009,730	1.00
China Telecom Corp Ltd H Shares	400,000	1,500,000	0.30
China Vanke Co Ltd H Shares	397,100	4,177,492	0.84
Fuyao Glass Industry Group Co Ltd H Shares	120,000	3,888,000	0.78
Haier Smart Home Co Ltd H Shares	205,400	5,063,110	1.01
Industrial & Commercial Bank of China Ltd H Shares	2,977,000	12,443,860	2.49
PetroChina Co Ltd H Shares	1,590,000	8,617,800	1.73
Pharmaron Beijing Co Ltd H Shares	54,600	1,321,320	0.27
Ping An Insurance (Group) Co of China Ltd H Shares	233,500	11,639,975	2.33
Poly Property Services Co Ltd H Shares	216,000	8,197,200	1.64
Shanghai Pharmaceuticals Holding Co Ltd H Shares	284,100	4,409,232	0.88
Sinopharm Group Co Ltd H Shares	359,600	8,810,200	1.76
Tsingtao Brewery Co Ltd H Shares	94,000	6,692,800	1.34
WuXi AppTec Co Ltd H Shares	41,100	2,568,750	0.51
Zijin Mining Group Co Ltd H Shares	470,000	5,405,000	1.08
		<hr/> 141,844,677 <hr/>	<hr/> 28.40 <hr/>
Hong Kong – Red Chips			
Beijing Tong Ren Tang Chinese Medicine Co Ltd	381,000	5,463,540	1.10
BOC Hong Kong Holdings Ltd	528,000	12,645,600	2.53
China Jinmao Holdings Group Ltd	2,112,000	2,428,800	0.49
China Mobile Ltd	157,000	10,055,850	2.01
China Resources Land Ltd	406,000	13,479,200	2.70
China Resources Power Holdings Co Ltd	274,000	4,849,800	0.97
		<hr/> 48,922,790 <hr/>	<hr/> 9.80 <hr/>
Hong Kong – Others			
AIA Group Ltd	472,600	37,382,660	7.48

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INVESTMENT REPORT (UNAUDITED) (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

AS AT 30 JUNE 2023

VALUE PARTNERS HK EQUITY 50 FOCUS FUND (CONTINUED)

	Holdings	Fair value HK\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)			
Listed equity securities (Continued)			
Hong Kong – Others (Continued)			
Alibaba Group Holding Ltd	451,000	36,621,200	7.33
ANTA Sports Products Ltd	94,800	7,588,740	1.52
Baidu Inc	72,850	9,674,480	1.94
Cheung Kong Property Holdings Ltd	96,500	4,188,100	0.84
China Mengniu Dairy Co Ltd	379,000	11,180,500	2.24
Chow Tai Fook Jewellery Group Ltd	230,800	3,249,664	0.65
ENN Energy Holdings Ltd	39,800	3,884,480	0.78
Galaxy Entertainment Group Ltd	89,000	4,423,300	0.89
H World Group Ltd	124,800	3,775,200	0.76
Hong Kong Exchanges & Clearing Ltd	36,900	10,892,880	2.18
HSBC Holdings PLC	552,000	33,672,000	6.74
Innovent Biologics Inc	101,500	3,004,400	0.60
JD.com Inc	105,395	13,954,298	2.79
Kingsoft Corp Ltd	48,400	1,493,140	0.30
Kuaishou Technology	91,700	4,910,535	0.98
Li Ning Co Ltd	155,000	6,533,250	1.31
Meituan	164,690	20,141,587	4.03
NetEase Inc	66,000	10,071,600	2.02
New World Development Co Ltd	181,000	3,489,680	0.70
Sino Biopharmaceutical Ltd	1,235,000	4,211,350	0.84
Sunny Optical Technology (Group) Co Ltd	37,400	2,922,810	0.59
Tencent Holdings Ltd	141,300	46,855,080	9.38
Xiaomi Corp	508,600	5,452,192	1.09
Yum China Holdings Inc	10,100	4,460,160	0.89
ZTO Express (Cayman) Inc	32,500	6,386,250	1.28
		<u>300,419,536</u>	<u>60.15</u>
		-----	-----
Financial assets at fair value through profit or loss		<u>491,187,003</u>	<u>98.35</u>
		-----	-----
Cash and cash equivalents		4,838,947	0.97
Other net assets		3,402,249	0.68
		<u>499,428,199</u>	<u>100.00</u>
		-----	-----
Total net assets		<u>499,428,199</u>	<u>100.00</u>
		-----	-----
Total investments, at cost		<u>600,081,790</u>	

Note: Investments are accounted for on a trade date basis.

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INVESTMENT REPORT (UNAUDITED) (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

AS AT 30 JUNE 2023

VALUE PARTNERS CHINA HK BOND AND GOLD FUND

	Holdings	Fair value HK\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed investment funds			
Hong Kong			
Value Gold ETF	666,700	30,308,182	8.50
Quoted debt securities			
Hong Kong dollar			
AIA Group Ltd 2.25% 3/28/2024	5,000,000	4,907,175	1.37
Airport Authority 1.9% 11/19/2030	10,000,000	8,439,184	2.37
Airport Authority Hong Kong 3.2% 8/16/2027	5,000,000	4,770,964	1.34
BOC Aviation Ltd 3.6% 2/11/2026	4,000,000	3,900,673	1.09
Champion MTN Ltd 4% 7/31/2025	8,000,000	7,928,704	2.22
China Overseas Finance Cayman VIII Ltd 2.9% 1/15/2025	3,000,000	2,966,693	0.83
CLP Power Hong Kong Financing Ltd 3.97% 3/23/2026	3,000,000	2,929,617	0.82
Export-Import Bank of India 1.55% 11/7/2024	4,500,000	4,289,685	1.20
HKCG Finance Ltd 4.25% 6/3/2024	9,000,000	8,973,600	2.51
Hong Kong Mortgage Corp Ltd/The 5% 10/25/2024	3,000,000	3,110,189	0.87
Hongkong Electric Finance Ltd 2.55% 8/1/2028	9,000,000	8,284,718	2.32
Hongkong Land Notes Co Ltd/The 2.9% 7/2/2035	4,000,000	3,276,205	0.92
Sun Hung Kai Properties Capital Market Ltd 2.7% 6/26/2027	4,000,000	3,700,959	1.04
Sun Hung Kai Properties Capital Market Ltd 4% 4/16/2024	8,500,000	8,514,783	2.39
Swire Pacific MTN Financing Ltd 2.6% 7/21/2028	4,000,000	3,620,810	1.02
Swire Pacific MTN Financing Ltd 2.7% 6/30/2027	2,000,000	1,845,128	0.52
Swire Properties MTN Financing Ltd 2.4% 6/18/2027	2,000,000	1,835,898	0.51
Westpac Banking Corp 4.97% 6/27/2024	3,000,000	3,002,354	0.84
Wharf REIC Finance (BVI) 2.1% 3/16/2027	6,000,000	5,452,188	1.53
Wharf REIC Finance (BVI) 2.8% 1/23/2030	5,000,000	4,428,786	1.24
Wharf REIC Finance (BVI) 3.07% 1/22/2028	4,000,000	3,757,644	1.05
Wheelock MTN BVI Ltd 2.05% 11/19/2026	2,000,000	1,854,477	0.52
		<u>101,790,434</u>	<u>28.52</u>
United States dollar			
AIA Group Ltd 3.2% 3/11/2025	500,000	3,809,988	1.07
AIA Group Ltd 3.9% 4/6/2028	300,000	2,265,426	0.63
Airport Authority Hong Kong 3.45% 2/21/2029	600,000	4,437,484	1.24
Bluestar Finance Holdings Ltd 3.375% 7/16/2024	300,000	2,323,159	0.65

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

INVESTMENT REPORT (UNAUDITED) (CONTINUED)**INVESTMENT PORTFOLIO (CONTINUED)**

AS AT 30 JUNE 2023

VALUE PARTNERS CHINA HK BOND AND GOLD FUND (CONTINUED)

	Holdings	Fair value HK\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)			
Quoted debt securities (Continued)			
United States dollar (Continued)			
BOC Aviation Ltd 2.75% 12/2/2023	1,000,000	7,745,561	2.17
Bocom Leasing Management Hong Kong Co Ltd 5.5% 5/21/2024	1,000,000	7,842,820	2.20
Bright Galaxy International Ltd 3.25% 7/15/2026	500,000	3,506,041	0.98
Castle Peak Power Finance Co Ltd 3.25% 7/25/2027	1,000,000	7,479,529	2.10
Chalco Hong Kong Investment Co Ltd 2.1% 7/28/2026	1,000,000	7,151,154	2.00
Chengdu Communications Investment Group Co Ltd 4.75% 12/13/2027	1,000,000	7,507,828	2.10
China Merchants Bank Co Ltd(London) Float 6/13/2026	1,000,000	7,864,667	2.20
China Resources Land Ltd 3.75% 8/26/2024	500,000	3,864,262	1.08
Chinalco Capital Holdings Ltd 2.125% 6/3/2026	500,000	3,566,871	1.00
Chouzhou International Investment Ltd 4% 2/18/2025	1,500,000	11,573,120	3.24
CK Hutchison International 17 II Ltd 3.25% 9/29/2027	300,000	2,214,199	0.62
CNAC (HK) Finbridge Co Ltd 4.125% 7/19/2027	1,000,000	7,513,920	2.11
Coastal Emerald Ltd 3.95% 5/24/2024	400,000	3,082,692	0.86
Coastal Emerald Ltd 4.1% 6/15/2025	500,000	3,820,114	1.07
Contemporary Ruiding Development Ltd 2.625% 9/17/2030	550,000	3,679,855	1.03
COSL Singapore Capital Ltd 2.5% 6/24/2030	450,000	3,025,609	0.85
Far East Horizon Ltd 3.375% 2/18/2025	500,000	3,720,510	1.04
Far East Horizon Ltd 4.25% 10/26/2026	500,000	3,541,957	0.99
Foxconn (Far East) Ltd 2.5% 10/28/2030	1,000,000	6,556,279	1.84
Fujian Zhanglong Group Co Ltd 3.45% 12/19/2023	1,000,000	7,853,298	2.20
Hangzhou Fuyang Chengtou Group HK Ltd 3.2% 6/25/2026	500,000	3,579,919	1.00
Hong Kong Government International Bond 4% 6/7/2028	500,000	3,863,422	1.08
Hong Kong Government International Bond 4% 6/7/2033	500,000	3,854,685	1.08
Hongkong Electric Finance Ltd 2.25% 6/9/2030	300,000	1,978,942	0.55
HPHT Finance 19 Ltd 2.875% 11/5/2024	300,000	2,271,806	0.64
Hutchison Whampoa International 14 Ltd 3.625% 10/31/2024	300,000	2,302,882	0.65
Hysan MTN Ltd 2.82% 9/4/2029	1,000,000	6,850,817	1.92
Kookmin Bank 5.1% 10/18/2023	1,000,000	8,089,722	2.27
Link Finance Cayman 2009 Ltd/The 3.6% 9/3/2024	300,000	2,324,878	0.65
Meituan 3.05% 10/28/2030	500,000	3,127,236	0.88
MTR Corp Ltd 1.625% 8/19/2030	700,000	4,540,105	1.27
PLDT Inc 2.5% 1/23/2031	250,000	1,638,672	0.46

VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

INVESTMENT REPORT (UNAUDITED) (CONTINUED)

INVESTMENT PORTFOLIO MOVEMENT
FOR THE YEAR ENDED 30 JUNE 2023

VALUE PARTNERS CHINA HK BOND AND GOLD FUND (CONTINUED)

	Holdings	Fair value HK\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)			
Quoted debt securities (Continued)			
United States dollar (Continued)			
Shuifa International Holdings BVI Co Ltd 4% 3/24/2024	500,000	3,797,452	1.06
State Grid Overseas Investment (BVI) Ltd 1.125% 9/8/2026	600,000	4,147,849	1.16
TCL Technology Investments Ltd 1.875% 7/14/2025	300,000	2,172,950	0.61
Tencent Holdings Ltd 2.39% 6/3/2030	1,800,000	11,745,082	3.29
Three Gorges Finance I Cayman Islands Ltd 3.625% 7/28/2025	300,000	2,301,574	0.65
Vanke Real Estate Hong Kong Co Ltd 3.5% 11/12/2029	400,000	2,603,264	0.73
Vigorous Champion International Ltd 2.75% 6/2/2025	900,000	6,603,384	1.85
Vigorous Champion International Ltd 4.25% 5/28/2029	500,000	3,500,320	0.98
Weibo Corp 3.5% 7/5/2024	500,000	3,874,527	1.09
Westwood Group Holdings Ltd 2.8% 1/20/2026	400,000	2,923,764	0.82
Yongda Investment Ltd 2.25% 6/16/2025	750,000	5,477,622	1.54
		<u>219,517,217</u>	<u>61.50</u>
		-----	-----
Financial assets at fair value through profit or loss		<u>351,615,833</u>	<u>98.52</u>
		-----	-----
Cash and cash equivalents		5,324,438	1.49
Other net liabilities		(35,362)	(0.01)
		<u>356,904,909</u>	<u>100.00</u>
		-----	-----
Total net assets		<u>356,904,909</u>	<u>100.00</u>
		-----	-----
Total investments, at cost		<u>355,984,059</u>	

Note: Investments are accounted for on a trade date basis

VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

INVESTMENT REPORT (UNAUDITED) (CONTINUED)

INVESTMENT PORTFOLIO MOVEMENT
FOR THE YEAR ENDED 30 JUNE 2023

VALUE PARTNERS ASSET ALLOCATION FUND

	% of net assets	
	2023¹	2022
Financial assets at fair value through profit or loss		
Approved pooled investment funds		
Hong Kong	-	96.01
	<hr/>	<hr/>
Total investment, net	-	96.01
	<hr/> <hr/>	<hr/> <hr/>

¹ The Sub-Fund was fully redeemed on 21 June 2023.

VALUE PARTNERS HK EQUITY 50 FOCUS FUND

	% of net assets	
	2023	2022
Financial assets at fair value through profit or loss		
Listed equity securities		
China	-	2.12
Hong Kong		
- H shares	28.40	20.66
- Red chips	9.80	11.26
- Others	60.15	61.29
	<hr/>	<hr/>
Total investment, net	98.35	95.33
	<hr/> <hr/>	<hr/> <hr/>

VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

INVESTMENT REPORT (UNAUDITED) (CONTINUED)

INVESTMENT PORTFOLIO MOVEMENT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

VALUE PARTNERS CHINA HK BOND AND GOLD FUND

	% of net assets	
	2023	2022
Financial assets at fair value through profit or loss		
Listed investment funds		
Hong Kong	8.50	9.23
	-----	-----
Debt securities		
Hong Kong dollar	28.52	27.57
United States dollar	61.50	54.99
	-----	-----
	90.02	82.56
	-----	-----
Total investment, net	98.52	91.79
	=====	=====

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

TRUSTEE'S REPORT

In relation to the year ended 30 June 2023, we hereby confirm that:

- (a) in our opinion, the Manager, Value Partners Hong Kong Limited has, in all material respects, managed Value Partners Asset Allocation Fund, Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund, the sub-funds of Value Partners Choice Investment Funds (the "Fund") in accordance with the provisions of the Trust Deed dated 30 January 2013 (as amended).
- (b) during the year, we have not become aware of any failures by HSBC Institutional Trust Services (Asia) Limited (the "Custodian"), the Manager and their delegates to comply with the obligations imposed on them, except to the extent that such failures have been previously reported to the Mandatory Provident Fund Schemes Authority (the "MPFA");
- (c) we are not aware of any events of a significant nature relating to the Fund that occurred during the year which have not been reported to the MPFA;
- (d) provisions of the constitutive documents, the SFC Code on MPF Products established by the Securities and Futures Commission, the Mandatory Provident Fund Schemes Ordinance, the Mandatory Provident Fund Schemes (General) Regulation, the Code on MPF Investment Funds and other relevant guidelines issued by the MPFA have been complied with in all material respects during the year, except to the extent that any non-compliance has been previously reported to the MPFA; and
- (e) there are no material changes (including changes of the Custodian, the Manager and delegates of the Manager) which have not been reported to the MPFA during the year.

We declare that we have, during the year, supervised, and exercised proper control over, all persons appointed or engaged for the purposes of the Fund.



For and on behalf of
HSBC Institutional Trust Services (Asia) Limited

Trustee
20 October 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF VALUE PARTNERS ASSET ALLOCATION FUND, VALUE PARTNERS
HK EQUITY 50 FOCUS FUND AND VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)**

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Value Partners Asset Allocation Fund, Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund (each a separate sub-fund of Value Partners Choice Investment Funds and referred to as the "Sub-Funds"), which are set out on pages 23 to 56, comprise:

- the statement of financial position as at 30 June 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of each of the Sub-Funds as at 30 June 2023, and of each of their financial transactions and each of their cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 860.1 (Revised), "The Audit of Retirement Schemes" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Sub-Funds in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF VALUE PARTNERS ASSET ALLOCATION FUND, VALUE PARTNERS
HK EQUITY 50 FOCUS FUND AND VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS) (CONTINUED)**

Basis for Opinion (Continued)

Emphasis of Matter

We draw your attention to Note 2 to these financial statements which states that all the redeemable units of Value Partners Asset Allocation Fund have been fully redeemed by the unitholder on 21 June 2023 and the Manager has decided to terminate such Sub-Fund. As a result, the financial statements of Value Partners Asset Allocation Fund have not been prepared on a going concern basis, and are prepared in accordance with the basis set out in Note 2. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

Responsibilities of the Management for the Financial Statements

The Management of the Sub-Funds is responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, 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 Sub-Funds is responsible for assessing the Sub-Funds' 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 Sub-Funds or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF VALUE PARTNERS ASSET ALLOCATION FUND, VALUE PARTNERS
HK EQUITY 50 FOCUS FUND AND VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS) (CONTINUED)**

Responsibilities of the Management for the Financial Statements (Continued)

In addition, the Management of the Sub-Funds is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 30 January 2013, as amended (the "Trust Deed"), the Hong Kong Mandatory Provident Fund Schemes Ordinance (the "Ordinance"), the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation"), the Code on MPF Investment Funds (the "MPF Code") and Guidelines II.5 issued by the Mandatory Provident Fund Schemes Authority (the "MPF Guideline").

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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed, the Ordinance, the General Regulation, the MPF Code and the MPF Guideline.

As part of an audit in accordance with HKSAs, 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 Sub-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF VALUE PARTNERS ASSET ALLOCATION FUND, VALUE PARTNERS
HK EQUITY 50 FOCUS FUND AND VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS) (CONTINUED)**

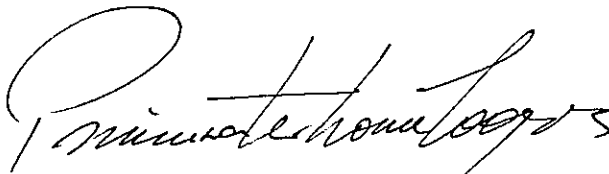
**Auditor's Responsibilities for the Audit of the Financial Statements
(Continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Funds' 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 Sub-Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Matters under the Relevant Disclosure Provisions of the Trust Deed, the Ordinance, the General Regulation, the MPF Code and the MPF Guideline

- (a) 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, the Ordinance, the General Regulation, the MPF Code and the MPF Guideline; and
- (b) We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 October 2023

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note(s)	Value Partners Asset Allocation Fund		Value Partners HK Equity 50 Focus Fund		Value Partners China HK Bond and Gold Fund	
		2023 ¹ HK\$	2022 HK\$	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
Assets							
Financial assets at fair value through profit or loss	4(a)(ii), 4(d)	-	792,276,452	491,187,003	508,055,983	351,615,833	238,051,159
Amounts receivable on issue of units		-	942,264	355,603	942,264	237,069	-
Dividends and interest receivables	6(e)	10	647	2,353,735	3,418,423	109	392
Amounts receivable on sale of investments		-	204,172	4,102,620	-	-	-
Prepayments and other receivables	6(e)	-	117,783	5,600	3,058	14,844	19,613
Cash and cash equivalents	6(e), 7	162,883	33,045,644	4,838,947	23,404,241	5,324,438	21,426,956
Total assets		<u>162,893</u>	<u>826,586,962</u>	<u>502,843,508</u>	<u>535,823,969</u>	<u>357,192,293</u>	<u>259,498,120</u>
Liabilities							
Amounts payable on purchase of investments		-	942,264	2,224,064	2,527,225	-	-
Amounts payable on redemption of units		-	204,172	998,304	204,172	96,973	-
Accruals and other payables	6(e), 6(b)	162,893	218,303	192,941	162,471	190,411	151,769
Total liabilities		<u>162,893</u>	<u>1,364,739</u>	<u>3,415,309</u>	<u>2,893,868</u>	<u>287,384</u>	<u>151,769</u>
Net assets attributable to unitholders	5	<u>-</u>	<u>825,222,223</u>	<u>499,428,199</u>	<u>532,930,101</u>	<u>356,904,909</u>	<u>259,346,351</u>

¹ The Sub-Fund was fully redeemed on 21 June 2023.

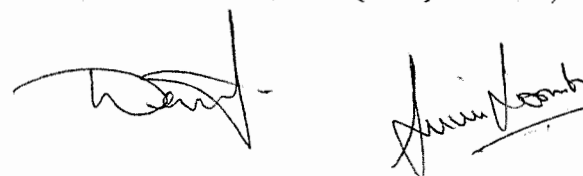
Signed by:

Value Partners Hong Kong Limited, Manager

HSBC Institutional Trust Services (Asia) Limited, Trustee



The notes on pages 28 to 56 are an integral part of these financial statements.



VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Value Partners Asset Allocation Fund		Value Partners HK Equity 50 Focus Fund		Value Partners China HK Bond and Gold Fund	
		2023 ¹ HK\$	2022 HK\$	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
Income							
Dividends	6(e)	-	-	13,612,860	12,329,347	-	-
Interest on bank deposits	6(e)	23,367	1,970	88,125	751	37,525	1,812
Net realised (losses)/gains on investments		(104,810,654)	2,741,079	(32,514,217)	(10,572,502)	(252,986)	(563,342)
Change in unrealised gains/losses on investments		32,308,404	(150,387,783)	(62,999,932)	(134,466,937)	4,608,046	(11,376,762)
Other income	6(e)	(107,884)	107,884	-	-	97,285	91,859
Net foreign exchange gains/(losses)		973	(1,787)	(361,922)	(504,886)	(54,116)	(38,750)
Total net (loss)/income		(72,585,794)	(147,538,637)	(82,175,086)	(133,214,227)	4,435,754	(11,885,183)
Expenses							
Trustee fees	6(b)	-	-	667,876	660,847	344,271	325,638
Transaction costs	6(e)	-	-	638,041	434,450	7,736	7,696
Safe custody and bank charges		660	1,110	4,080	4,096	20,693	18,659
Legal and professional fees		75,747	32,614	98,471	63,833	66,353	32,615
Auditor's remuneration		128,050	189,274	126,074	94,637	126,074	94,637
Establishment cost		-	60,691	-	60,724	-	60,723
Other operating expenses		15,147	36,491	23,418	43,648	5,711	29,028
Total operating expenses		219,604	320,180	1,557,960	1,362,235	570,838	568,996
(Loss)/profit before tax		(72,805,398)	(147,858,817)	(83,733,046)	(134,576,462)	3,864,916	(12,454,179)
Withholding tax on dividend income	8(b)	-	-	(643,805)	(618,518)	-	-
(Decrease)/increase in net assets attributable to unitholders from operations		(72,805,398)	(147,858,817)	(84,376,851)	(135,194,980)	3,864,916	(12,454,179)

¹ The Sub-Fund was fully redeemed on 21 June 2023.

The notes on pages 28 to 56 are an integral part of these financial statements.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
 (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
 FOR THE YEAR ENDED 30 JUNE 2023**

	Note	Value Partners Asset Allocation Fund		Value Partners HK Equity 50 Focus Fund		Value Partners China HK Bond and Gold Fund	
		2023 ¹ HK\$	2022 HK\$	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
Net assets attributable to unitholders as at beginning of the year		825,222,223	845,802,308	532,930,101	616,166,022	259,346,351	229,847,875
Issue of units		141,900,929	165,003,742	155,821,494	84,186,729	116,029,092	77,298,301
Redemption of units	5	(894,317,754)	(37,725,010)	(104,946,545)	(32,227,670)	(22,335,450)	(35,345,646)
Net (decrease)/increase from unit transactions		(752,416,825)	127,278,732	50,874,949	51,959,059	93,693,642	41,952,655
(Decrease)/increase in net assets attributable to unitholders from operations		(72,805,398)	(147,858,817)	(84,376,851)	(135,194,980)	3,864,916	(12,454,179)
Net assets attributable to unitholders as at end of the year	5	-	825,222,223	499,428,199	532,930,101	356,904,909	259,346,351

¹ The Sub-Fund was fully redeemed on 21 June 2023.

The notes on pages 28 to 56 are an integral part of these financial statements.

VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Value Partners Asset Allocation Fund	Value Partners HK Equity 50 Focus Fund	Value Partners China HK Bond and Gold Fund
	2023 ¹ HK\$	2022 HK\$	2022 HK\$
Cash flows from operating activities			
(Decrease)/increase in net assets attributable to unitholders from operations	(72,805,398)	(147,858,817)	3,864,916
Adjustments for:			
Dividends	-	(13,612,860)	-
Interest on bank deposits	(23,367)	(88,125)	(37,525)
Withholding tax on dividends	-	643,805	-
	(72,828,765)	(147,860,787)	(12,455,991)
(Increase)/decrease in financial assets at fair value through profit or loss	(73,829,321) ²	53,737,445	(113,564,674)
Decrease/(increase) in amounts receivable on sale of investments	204,172	216,565	-
Decrease/(increase) in prepayments and other receivables	117,783	(109,629)	-
Decrease in amounts payable on purchase of investments	(942,264)	(537,181)	4,769
(Decrease)/increase in accruals and other payables	(55,410)	(60,639)	38,642
Cash used in operations	(147,333,805)	(94,614,226)	(109,693,872)
Dividends received	-	-	-
Interest on bank deposits	24,004	1,323	37,808
Net (outflow)/inflow from operating activities	(147,309,801)	(94,612,903)	(109,656,064)

¹ The Sub-Fund was fully redeemed on 21 June 2023.

² For the non-cash transactions relating to the redemption in-specie by the unitholder of Value Partners Asset Allocation Fund, refer to Note 5.

The notes on pages 28 to 56 are an integral part of these financial statements.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
 (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

**STATEMENT OF CASH FLOWS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2023**

	Value Partners Asset Allocation Fund		Value Partners Equity 50 Focus Fund		Value Partners HK Bond and Gold Fund		Value Partners China	
	2023 ¹	2022	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Cash flows from financing activities								
Proceeds from issue of units	142,843,193	165,540,923	156,408,155	84,723,910	115,792,023	77,298,301		
Payments on redemption of units	(28,416,153) ²	(37,941,574)	(104,152,413)	(32,444,235)	(22,238,477)	(35,345,646)		
Net cash inflow from financing activities	114,427,040	127,599,349	52,255,742	52,279,675	93,553,546	41,952,655		
Net (decrease)/increase in cash and cash equivalents	(32,882,761)	32,986,446	(18,565,294)	(2,932,640)	(16,102,518)	11,013,423		
Cash and cash equivalents as at the beginning of the year	33,045,644	59,198	23,404,241	26,336,881	21,426,956	10,413,533		
Cash and cash equivalents as at end of the year, representing bank balances	162,883	33,045,644	4,838,947	23,404,241	5,324,438	21,426,956		

¹ The Sub-Fund was fully redeemed on 21 June 2023.

² For the non-cash transactions relating to the redemption in-specie by the unitholder of Value Partners Asset Allocation Fund, refer to Note 5.

The notes on pages 28 to 56 are an integral part of these financial statements.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Value Partners Asset Allocation Fund, Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund (each individually the “Sub-Fund” or collectively, the “Sub-Funds”) are the sub-funds of Value Partners Choice Investment Funds (the “Fund”), which is an umbrella unit trust established under the laws of Hong Kong and governed by the Trust Deed dated 30 January 2013 (as amended) between HSBC Institutional Trust Services (Asia) Limited as trustee (“Trustee”) and Value Partners Hong Kong Limited as manager (“Manager”). These financial statements are prepared for the Sub-Funds only.

The Sub-Funds are approved by the Securities and Futures Commission (“SFC”) of Hong Kong and the Mandatory Provident Fund Schemes Authority (“MPFA”) in Hong Kong.

Prior to 21 June 2023, Value Partners Asset Allocation Fund invested in Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund. Value Partners Asset Allocation Fund aimed to allocate between 10% to 90% of its latest available Net Asset Value to the Value Partners HK Equity 50 Focus Fund and majority of its remaining net asset value will be invested in the Value Partners China HK Bond and Gold Fund.

On 21 June 2023, the unitholder of Value Partners Asset Allocation Fund fully redeemed its holdings in such Sub-Fund and in return obtained the redemption amount in-specie in the units of Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund and transferred the in-specie units to the sole unitholder of Value Partners Asset Allocation Fund. The Manager has decided to terminate the Sub-Fund, subject to the regulatory bodies’ approval. As a result, the financial statements of such Sub-Fund have not been prepared on a going concern basis. Refer to Note 16.

2 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

As refer to Note 1 and Note 16 to the financial statements, all the redeemable units of Value Partners Asset Allocation Fund have been fully redeemed by the unitholder on 21 June 2023 and the Manager has decided to terminate such Sub-Fund. As a result, the financial statements of Value Partners Asset Allocation Fund for the year ended 30 June 2023 have not been prepared on a going concern basis. The Manager has assessed that the values of all assets and liabilities at the reporting date approximate their net realisable value, and therefore no changes of accounting policies or adjustments have been made in the financial statements in order to reflect the fact that Value Partners Asset Allocation Fund will be able to realise its assets or to extinguish its liabilities in the normal course of business.

The preparation of financial statements in conformity with HKFRSs requires the use of accounting estimates. It also requires the exercise of judgement in the process of applying the Sub-Funds’ accounting policies.

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

VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

Standards and amendments to existing standards effective 1 July 2022

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 July 2022 that have a material effect on the financial statements of the Sub-Funds.

Standards that are not yet effective and have not been early adopted by the Sub-Funds

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2022 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Funds.

(b) Investment entity

The Sub-Funds have been deemed to meet the definition of an investment entity per HKFRS 10 as the following conditions exist:

- (i) The Sub-Funds have multiple investments;
- (ii) The Sub-Funds obtained funding for the purpose of providing investors with investment management services;
- (iii) The Sub-Funds' 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 Sub-Funds meet all of the typical characteristics of an investment entity and the Manager believes they are investment entities. The Sub-Funds are required to account for investee funds 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 Sub-Funds consider all of its investments in investee funds to be investments in unconsolidated structured entities. The Sub-Funds invest 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 Sub-Funds' investment in unconsolidated structured entities are shown as financial assets at fair value through profit and loss. The change in fair value of each investee fund is included in the statement of comprehensive income.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets at fair value through profit or loss

(i) Classification

The Sub-Funds classify their investments based on both the Sub-Funds' 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 Sub-Funds are primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Funds have not taken the option to irrevocably designate any equity securities at fair value through other comprehensive income. The contractual cash flows of the Sub-Funds' 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 business model's objective of the Sub-Funds.

As such, the Sub-Funds classify all of their investment portfolio as financial assets or liabilities at fair value through profit or loss.

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

(ii) Recognition/derecognition

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

(iii) Measurement

Financial assets 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 at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the statement of comprehensive income in the year in which they arise.

(iv) Fair value estimation

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

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

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Financial assets at fair value through profit or loss (Continued)****(iv) Fair value estimation (Continued)**

Debt securities are stated at fair valued based on quoted prices inclusive of accrued interest. The fair value of debt securities not quoted in an active market may be determined by the Sub-Funds using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Sub-Funds would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Sub-Funds may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Refer to note 4(d) for the details of valuation techniques used.

Investments in investee funds are stated at fair value based on the net asset value per unit/shares of the respective sub-funds as determined by the administrators of the relevant sub-funds or stated at last traded prices if the investee sub-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.

(e) Income

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

Interest income is recognised in the statement of comprehensive income on a time-proportionate basis using the effective interest method. Interest income earned from debt securities is grouped under net realised gains/(losses) on investments or unrealised gains/losses on investments.

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 Sub-Funds hold that debt security as at year end.

(f) Expenses

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

(g) Transaction costs

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

(h) Distributions payable to unitholders

Proposed distributions to unitholders are recognised in the statement of comprehensive income when they are appropriately authorised and no longer at the discretion of the Sub-Funds. The distributions on the units is recognised as a finance cost in the statement of comprehensive income.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Foreign currency translation

The financial statements are presented in Hong Kong dollar, which is the Sub-Funds' functional and presentation currency.

The Sub-Funds have adopted Hong Kong dollar as the functional currency of the Sub-Funds since the subscriptions and redemptions of the Sub-Funds are mainly transacted in Hong Kong dollars. In addition, performance measurement and reporting to the unitholders as well as settlement of fees and expenses are carried out in Hong Kong dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. 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" or "Change in unrealised gains/losses on investments".

(j) Taxation

The Sub-Funds currently incur 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.

(k) 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 brokers as they are restricted for investment purposes. Bank overdrafts are shown in current liabilities in the statement of financial position.

(l) Redeemable units

The net asset value per unit is computed for each dealing day. The price at which units are issued or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day.

Units of the Sub-Funds are redeemable at the options of the unitholders and are classified as equity in the statement of financial position which represents the net assets attributable to unitholders (or "net asset value" or "net assets" or "NAV"). The units are carried at the redemption amount that is payable at the reporting date if the unitholders exercise their right to redeem their units of the Sub-Funds.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Fair value of financial instruments not quoted in an active market

The Sub-Funds hold financial instruments that are not traded or quoted in an active market. The Sub-Funds use their judgement to select the appropriate methods and make assumptions based on market conditions existing at the end of each reporting period to estimate the fair value of such financial instruments (See Note 4(d) for further details).

Valuation techniques include the market approach using prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities such as net asset values as provided by fund administrators, broker quotes and last transacted price. Broker quotes obtained from the pricing sources (such as pricing agencies or bond/debt market makers) may be indicative and not executable or binding. The Sub-Funds would exercise judgement and estimates on the quantity and quality of pricing sources uses. Where no market data is available, the Sub-Funds 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 30 June 2022, Value Partners Asset Allocation Fund held two investments funds, Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund, with total amount of fair value of HK\$792,276,452 and were classified as level 2 investments. As at 30 June 2023, Value Partners Asset Allocation Fund did not hold any investments.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4 FINANCIAL RISK MANAGEMENT**

The Sub-Funds' activities expose them 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 Sub-Funds to manage these risks are discussed below:

(a) Market risk**(i) Foreign exchange risk**

The Sub-Funds may hold assets denominated in currencies other than the Hong Kong dollar, the functional currency, it may therefore be exposed to foreign exchange risk. The Sub-Funds' overall currency positions are monitored on a daily basis by the Manager.

The table below includes both monetary and non-monetary assets and liabilities of Value Partners Assets Allocation Fund, Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund that held in foreign currencies together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net assets.

Value Partners Asset Allocation Fund

	Total net foreign currency exposures			Estimated impact on net assets HK\$
	Non- monetary net assets HK\$ equivalent	Monetary liabilities HK\$ equivalent	Percentage change %	
As at 30 June 2023¹				
United States dollar*	-	108	+/-0	-
	-	108		

	Total net foreign currency exposures			Estimated impact on net assets HK\$
	Non- monetary net assets HK\$ equivalent	Monetary liabilities HK\$ equivalent	Percentage change %	
As at 30 June 2022				
United States dollar*	-	(206,303)	+/-0	-
	-	(206,303)		

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

¹ The Sub-Fund was fully redeemed on 21 June 2023.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(a) Market risk (Continued)****(i) Foreign exchange risk (Continued)****Value Partners HK Equity 50 Focus Fund**

	Total net foreign currency exposures		Percentage change %	Estimated impact on net assets HK\$
	Non- monetary net assets HK\$ equivalent	Monetary net assets/ (liabilities) HK\$ equivalent		
As at 30 June 2023				
United States dollar*	-	(125,369)	+/-0	-
	-	(125,369)		
As at 30 June 2022				
Renminbi	11,279,275	-	+/-5	563,964
Taiwan dollar	-	8,914,355	+/-5	445,718
United States dollar*	-	(97,711)	+/-0	-
	11,279,275	8,816,644		

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

Value Partners China HK Bond and Gold Fund

	Total net foreign currency exposures		Percentage change %	Estimated impact on net assets HK\$
	Non- monetary net assets HK\$ equivalent	Monetary net assets HK\$ equivalent		
As at 30 June 2023				
United States dollar*	-	219,372,286	+/-0	-
	-	219,372,286		
As at 30 June 2022				
United States dollar*	-	142,505,590	+/-0	-
	-	142,505,590		

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

VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

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 Sub-Funds’ overall market positions are monitored on a daily basis by the Manager.

Value Partners Asset Allocation Fund

As at 30 June 2023, Value Partners Asset Allocation Fund did not hold any investments and was not exposed to market risk. As a result, no market exposure and sensitivity analysis are presented.

Value Partners HK Equity 50 Focus Fund

As at 30 June 2023 and 2022, Value Partners HK Equity 50 Focus Fund had no exposure to single security that is greater than 10% of net assets.

Value Partners China HK Bond and Gold Fund

As at 30 June 2023 and 2022, Value Partners China HK Bond and Gold Fund had no exposure to single security that is greater than 10% of net assets.

The Sub-Funds’ overall market exposures at the reporting date were as follows:

Value Partners Asset Allocation Fund

	% of net assets	
	2023¹	2022
Financial assets at fair value through profit or loss		
Approved pooled investment funds		
Hong Kong	-	96.01
	-	96.01

¹ The Sub-Fund was fully redeemed on 21 June 2023.

VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(ii) Price risk (Continued)

Value Partners HK Equity 50 Focus Fund

	% of net assets	
	2023	2022
Financial assets at fair value through profit or loss		
Listed equity securities		
China	-	2.12
Hong Kong		
- H shares	28.40	20.66
- Red chips	9.80	11.26
- Others	60.15	61.29
	<u>98.35</u>	<u>95.33</u>

Value Partners China HK Bond and Gold Fund

	% of net assets	
	2023	2022
Financial assets at fair value through profit or loss		
Quoted debt securities		
Australia	0.84	-
Cayman Islands	-	1.15
China	43.15	41.63
Hong Kong	38.99	33.55
India	1.20	-
Korea	2.27	-
Philippines	0.46	0.64
Singapore	-	2.99
Taiwan	1.84	2.60
United Kingdom	1.27	-
	<u>90.02</u>	<u>82.56</u>
Listed investment funds		
Hong Kong	8.50	9.23
	<u>98.52</u>	<u>91.79</u>

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
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- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(a) Market risk (Continued)****(ii) Price risk (Continued)**

The table below shows the analysis of the net position of equity securities of Value Partners HK Equity 50 Focus Fund by industry.

Value Partners HK Equity 50 Focus Fund

	2023	2022
	%	%
Financials	33.24	34.87
Consumer Discretionary	22.99	24.33
Telecommunication Services	17.22	12.09
Real Estate	7.31	7.70
Health Care	6.06	3.25
Consumer Staples	3.64	6.01
Energy	2.63	1.06
Industrials	2.32	3.65
Utilities	1.78	3.04
Information Technology	1.71	2.98
Materials	1.10	1.02
	<u>100.00</u>	<u>100.00</u>

The table below summarises the sensitivity of the Value Partners HK Equity 50 Focus Fund's portfolio of listed equity securities to equity price movements. The analysis is based on the assumptions that the FTSE MPF Hong Kong Index increased/decreased with all other variables held constant and that the fair value of the portfolio of listed equity securities of the Sub-Fund 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 purposes only.

Value Partners HK Equity 50 Focus Fund

	Percentage change		Estimated impact on net assets	
	2023	2022	2023	2022
	%	%	HK\$	HK\$
FTSE MPF Hong Kong Index	+/-13	+/-24	+/-65,010,785	+/-117,862,719

As Value Partners China HK Bond and Gold Fund predominantly invests in debt securities and related financial instruments, the market risk sensitivity analysis is covered under interest rate risk in note 4(a)(iii).

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(a) Market risk (Continued)****(iii) Interest rate risk****Value Partners Asset Allocation Fund and Value Partners HK Equity 50 Focus Fund**

The majority of the Sub-Funds' financial assets and liabilities are non-interest bearing. As a result, the Sub-Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Cash at banks is subject to interest rate risk as the return is derived from the current inter-bank lending rates. Debt securities are also subject to interest rate risk; however, the interest rate risk is not actively managed as it is not considered significant. As a result, no sensitivity analysis was deemed necessary.

Value Partners China HK Bond and Gold Fund

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Sub-Fund holds fixed interest securities that expose it to fair value interest rate risk. The deposits with brokers, overdrafts with bank and cash and cash equivalents expose the Sub-Fund to cash flow interest rate risk.

The table below summarises the Sub-Fund's exposure to interest rate risk, categorised by the earlier of contractual reprising and maturity dates.

	<u>Interest bearing</u>			<i>Non- interest bearing</i>	<i>Total</i>
	<i>Less than 1 year HK\$</i>	<i>1 to 5 years HK\$</i>	<i>Over 5 years HK\$</i>		
As at 30 June 2023					
Assets					
Financial assets at fair value through profit or loss	63,809,457	171,910,141	85,588,053	30,308,182	351,615,833
Cash and cash equivalents	5,324,438	-	-	-	5,324,438
	<u>69,133,895</u>	<u>171,910,141</u>	<u>85,588,053</u>	<u>30,308,182</u>	<u>356,940,271</u>
Interest sensitivity gap	<u>69,133,895</u>	<u>171,910,141</u>	<u>85,588,053</u>		

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(a) Market risk (Continued)****(iii) Interest rate risk (Continued)****Value Partners China HK Bond and Gold Fund (Continued)**

	<u>Interest bearing</u>			<i>Non- interest bearing</i>	<i>Total</i>
	<i>Less than 1 year HK\$</i>	<i>1 to 5 years HK\$</i>	<i>Over 5 years HK\$</i>		
As at 30 June 2022					
Assets					
Financial assets at fair value through profit or loss	19,273,796	98,383,087	96,469,276	23,925,000	238,051,159
Cash and cash equivalents	21,426,956	-	-	-	21,426,956
	<u>40,700,752</u>	<u>98,383,087</u>	<u>96,469,276</u>	<u>23,925,000</u>	<u>259,478,115</u>
Interest sensitivity gap	<u>40,700,752</u>	<u>98,383,087</u>	<u>96,469,276</u>		

Financial assets and liabilities not disclosed in the above table are non-interest bearing.

Fair value interest rate risk

The table below summarises the sensitivity of the Sub-Fund's net assets to interest rate movements.

The analysis is based on the assumptions that the interest rate increased/decreased by the stated percentage with all other variables held constant.

	Percentage change		Estimated impact on net assets	
	2023 %	2022 %	2023 HK\$	2022 HK\$
Interest rate	+/-0.5	+/-0.5	-5,096,092/ +5,224,603	-4,489,008/ +4,626,484

Cash flow interest rate risk

As at 30 June 2023 and 2022, if the interest rates on interest bearing net assets such as cash and cash equivalents had been 50 basis points higher/lower with all other variables held constant, the net assets would have been approximately HK\$ 26,622 higher/lower (2022: HK\$107,135 higher/lower).

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(b) Credit and counterparty risk**

The Sub-Funds limit their exposure to credit risk by transacting the majority of their securities and contractual commitment activities with brokers-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.

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

	Value Partners Asset Allocation Fund¹ HK\$	Value Partners HK Equity 50 Focus Fund HK\$	Value Partners China HK Bond and Gold Fund HK\$
As at 30 June 2023			
Counterparty			
Bank balances			
Aa3	162,883	4,838,947	5,324,438
Amounts receivable on sale of investments			
Aa3	-	4,102,620	-
Investments placed with custodian			
Aa3	-	491,187,003	351,615,833
Amounts receivable on issue of units			
Unrated	-	355,603	237,069
As at 30 June 2022			
Counterparty			
Bank balances			
Aa3	33,045,644	23,404,241	21,426,956
Amounts receivable on sale of investments			
Aa3	204,172	-	-
Investments placed with custodian			
Aa3	792,276,452	508,055,983	238,051,159
Amounts receivable on issue of units			
Unrated	942,264	942,264	-

¹ The Sub-Fund was fully redeemed on 21 June 2023.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(b) Credit and counterparty risk (Continued)**

The Sub-Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any expected credit loss. As at 30 June 2023 and 2022, amounts receivable on sale of investments, investments placed with custodian, cash and short-term deposits are held with counterparties with a credit rating of Aa3 or higher and are due to be settled within 3 months. The Manager considers the probability of default to be closed to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Funds.

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.

No financial assets were overdue or impaired as at 30 June 2023 and 2022.

Value Partners China HK Bond and Gold Fund

The table below summarises the credit quality of the sub-funds' portfolio of debt securities held in long position as at the reporting date. The credit ratings are issued by Moody's, S&P and Fitch.

Credit rating (Moody's/S&P/Fitch)	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
Aa1/AA+	33,016,033	13,161,786
Aa3/AA-	10,481,883	4,632,383
A1/A+	55,469,003	41,249,253
A2/A	48,042,045	21,098,874
A3/A-	79,707,267	61,511,797
Baa1/BBB+	28,416,773	26,294,239
Baa2/BBB	37,138,278	19,779,141
Baa3/BBB-	29,036,369	26,398,686
	<u>321,307,651</u>	<u>214,126,159</u>

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(c) Liquidity risk**

The table below analyses the Sub-Funds' 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.

	Value Partners Asset Allocation Fund¹ Less than 3 months HK\$	Value Partners HK Equity 50 Focus Fund Less than 3 months HK\$	Value Partners China HK Bond and Gold Fund Less than 3 months HK\$
As at 30 June 2023			
Amounts payable on purchase of investments	-	2,224,064	-
Amounts payable on redemption of units	-	998,304	96,973
Accruals and other payables	162,893	192,941	190,411
	<u>162,893</u>	<u>3,415,309</u>	<u>287,384</u>

	Value Partners Asset Allocation Fund Less than 3 months HK\$	Value Partners HK Equity 50 Focus Fund Less than 3 months HK\$	Value Partners China HK Bond and Gold Fund Less than 3 months HK\$
As at 30 June 2022			
Amounts payable on purchase of investments	942,264	2,527,225	-
Amounts payable on redemption of units	204,172	204,172	-
Accruals and other payables	218,303	162,471	151,769
	<u>1,364,739</u>	<u>2,893,868</u>	<u>151,769</u>

¹ The Sub-Fund was fully redeemed on 21 June 2023.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(c) Liquidity risk (Continued)**

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within 3 months or less. The following table illustrates the expected liquidity of assets held:

	Value Partners Asset Allocation Fund¹ Less than 3 months HK\$	Value Partners HK Equity 50 Focus Fund Less than 3 months HK\$	Value Partners China HK Bond and Gold Fund Less than 3 months HK\$
As at 30 June 2023			
Total assets	162,893	502,843,508	357,192,293
As at 30 June 2022			
Total assets	826,586,962	535,823,969	259,498,120

¹ The Sub-Fund was fully redeemed on 21 June 2023.

Capital management

The capital of the Sub-Funds are represented by the net assets attributable to unitholders which is subject to daily subscriptions and redemptions of redeemable units. The Sub-Funds' 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;
- To 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 in consultation with the Trustee 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 Sub-Funds invest may be relatively illiquid and the liquidity of these markets may fluctuate substantially over time. Investment of the Sub-Funds' assets in relatively illiquid securities may restrict the ability of the Sub-Funds to dispose of its investments at a price and time that they wish. The risk of illiquidity also arises in the case of over-the-counter transactions. There is no illiquid investment held by the Sub-Funds as at 30 June 2023 and 2022.

VALUE PARTNERS CHOICE INVESTMENT FUNDS
 - VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
 (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

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

As at 30 June 2023	% of net assets
Value Partners Asset Allocation Fund¹	
Nil	-
Value Partners HK Equity 50 Focus Fund	
Investor 1	100.00
Value Partners China HK Bond and Gold Fund	
Investor 1	100.00
As at 30 June 2022	% of net assets
Value Partners Asset Allocation Fund	
Investor 1	100.00
Value Partners HK Equity 50 Focus Fund	
Value Partners Asset Allocation Fund	100.00
Value Partners China HK Bond and Gold Fund	
Value Partners Asset Allocation Fund	100.00

¹ *The Sub-Fund was fully redeemed on 21 June 2023.*

During the years ended 30 June 2023 and 2022, the Manager was remunerated by Investor 1 which is an institutional investor and no management fees was charged to the Sub-Funds.

VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

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 Sub-Funds' financial assets and liabilities (by class) measured at fair value as at the reporting date.

Value Partners Asset Allocation Fund

As at 30 June 2023, Value Partners Asset Allocation Fund did not hold any investments.

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 30 June 2022				
Assets				
Approved pooled investment fund	-	792,276,452	-	792,276,452
	-	792,276,452	-	792,276,452

Value Partners HK Equity 50 Focus Fund

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 30 June 2023				
Assets				
Listed equity securities	491,187,003	-	-	491,187,003
	491,187,003	-	-	491,187,003
As at 30 June 2022				
Assets				
Listed equity securities	508,055,983	-	-	508,055,983
	508,055,983	-	-	508,055,983

VALUE PARTNERS CHOICE INVESTMENT FUNDS
- VALUE PARTNERS ASSET ALLOCATION FUND
- VALUE PARTNERS HK EQUITY 50 FOCUS FUND
- VALUE PARTNERS CHINA HK BOND AND GOLD FUND
(SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value estimation (Continued)

Value Partners China HK Bond and Gold Fund

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 30 June 2023				
Assets				
Listed investment funds	30,308,182	-	-	30,308,182
Quoted debt securities	-	321,307,651	-	321,307,651
	<u>30,308,182</u>	<u>321,307,651</u>	<u>-</u>	<u>351,615,833</u>
As at 30 June 2022				
Assets				
Listed investment funds	23,925,000	-	-	23,925,000
Quoted debt securities	-	214,126,159	-	214,126,159
	<u>23,925,000</u>	<u>214,126,159</u>	<u>-</u>	<u>238,051,159</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equity securities. The Sub-Funds do 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, include approved pooled investment funds and quoted debt securities.

Investments classified within level 3 have significant unobservable inputs, which are valued using model or based on quotes where no trade has been observed. Such investments are usually valued based on quotation provided by relevant market maker but no transaction has been observed.

As at 30 June 2023 and 2022, the Sub-Funds did not hold any investments in level 3.

There are no transfers between levels for the years ended 30 June 2023 and 2022.

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

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5 REDEEMABLE UNITS**

Units of the Sub-Funds can be issued in different classes. All units are subject to daily redemption. The management fee charged to each classes of units are different as disclosed in note 6(a).

The units can be put back to the Sub-Funds for cash equal to a proportionate share of the Sub-Funds' 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 Sub-Funds.

Class A Units are available generally for subscription by retirement schemes and certain institutional investors. Class B Units are available for subscription by retirement schemes and certain institutional investors agreed by the Manager.

For the years ended 30 June 2023 and 2022, the Sub-Funds only issued Class B units, which are the most subordinate class of units and are classified as equity.

The Sub-Funds' capital are represented by these units. The Sub-Funds' capital are shown as net assets attributable to unitholders in the statement of financial position. The Sub-Funds endeavour 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.

Number of units in issue

The movement of number of units in issue during the years ended 30 June 2023 and 2022 was as follows:

	Value Partners Asset Allocation Fund¹ Class B	Value Partners HK Equity 50 Focus Fund Class B	Value Partners China HK Bond and Gold Fund Class B
As at 1 July 2022	74,923,978	50,407,729	24,595,759
Issue of units	13,671,727	16,235,531	10,870,194
Redemption of units (Note)	(88,595,705)	(11,332,285)	(2,162,397)
As at 30 June 2023	<u>-</u>	<u>55,310,975</u>	<u>33,303,556</u>
As at 1 July 2021	63,957,954	45,337,201	20,815,498
Issue of units	14,166,082	7,856,053	6,975,704
Redemption of units	(3,200,058)	(2,785,525)	(3,195,443)
As at 30 June 2022	<u>74,923,978</u>	<u>50,407,729</u>	<u>24,595,759</u>

Note: On 21 June 2023, the unitholder fully redeemed all its holding of Value Partners Asset Allocation Fund and the redemption amount of HK\$866,105,773 was settled in-specie by obtaining 55,468,057 units and 33,337,279 units of Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund amounted to HK\$507,826,704 and HK\$358,279,069 respectively.

	Value Partners Asset Allocation Fund	Value Partners HK Equity 50 Focus Fund	Value Partners China HK Bond and Gold Fund
Net asset value per unit as at 30 June 2023			
Class B	-	HK\$9.0295	HK\$10.7167

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5 REDEEMABLE UNITS (CONTINUED)**

	Value Partners Asset Allocation Fund	Value Partners HK Equity 50 Focus Fund	Value Partners China HK Bond and Gold Fund
Net asset value per unit as at 30 June 2022			
Class B	HK\$11.0141	HK\$10.5724	HK\$10.5444

6 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR ASSOCIATES OR DELEGATES

The following is a summary of significant related party transactions/transactions entered into during the year between the Sub-Funds and the Trustee, the Manager and their associates or delegates. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

(a) Management fees

The Manager is entitled to receive a management fee calculated and accrued at each valuation day and payable monthly in arrears as a percentage of the net asset value of each class of units in the Sub-Funds as at each valuation day at the rates as specified below:

	Class A	Class B
Value Partners Asset Allocation Fund	1.25% per annum	Nil*
Value Partners HK Equity 50 Focus Fund	0.8% per annum	Nil
Value Partners China HK Bond and Gold Fund	1% per annum	Nil

* For the years ended 30 June 2023 and 2022, the Sub-Funds only issued Class B units. The Manager receives fees directly from a related party of Investor 1 of Class B unit of Value Partners Asset Allocation Fund.

(b) Trustee fees

The Trustee is entitled to receive a fee calculated and accrued at each valuation day and payable monthly in arrears out of the assets of the Sub-Funds. The fee payable to the Trustee is subject to the rates as specified below:

	Class A	Class B
Value Partners Asset Allocation Fund	Nil	Nil
Value Partners HK Equity 50 Focus Fund	0.125% per annum	0.125% per annum
Value Partners China HK Bond and Gold Fund	0.125% per annum	0.125% per annum

The trustee fee is subject to minimum monthly fee as below:

Value Partners Asset Allocation Fund	<i>HK\$</i> Nil*
Value Partners HK Equity 50 Focus Fund	20,000
Value Partners China HK Bond and Gold Fund	20,000

* The Sub-Fund is charged at nil (HK\$8,000 per month at the Investment Fund level if investing in any Approved Pooled Investment funds other than an Investment Fund of the Fund) trustee fee during the year ended 30 Jun 2023 and 2022.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR ASSOCIATES OR DELEGATES (CONTINUED)****(b) Trustee fees (Continued)**

For the years ended 30 June 2023 and 2022, Sub-Funds incurred trustee fees as below:

	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
Value Partners Asset Allocation Fund	Nil	Nil
Value Partners HK Equity 50 Focus Fund	667,876	660,847
Value Partners China HK Bond and Gold Fund	344,271	325,638

As at 30 June 2023 and 2022, outstanding trustee fees payable of Sub-Funds as follows:

	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
Value Partners Asset Allocation Fund	Nil	Nil
Value Partners HK Equity 50 Focus Fund	55,571	52,760
Value Partners China HK Bond and Gold Fund	33,476	26,636

(c) Manager's and its related parties' holding in the Sub-Funds

There are no units of the Value Partners Asset Allocation Fund held by the Manager and its related parties for the years ended 30 June 2023 and 2022.

Prior to 21 June 2023, Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund are 100% of holding by Value Partners Asset Allocation Fund. On 21 June 2023, Value Partners Asset Allocation Fund fully redeemed its holding of Value Partners HK Equity 50 Focus Fund and Value Partners China HK Bond and Gold Fund in-specie and transferred the units of these Sub-Funds to its sole unitholder. Refer to Note 5.

(d) Investment in fund managed by a related party of the Manager

During the years and as of 30 June 2023 and 2022, the Sub-Fund invested in an investment fund, which is managed by a related party of the Manager.

In accordance with the investee fund's prospectus, no management fees is charged to the share class that the Sub-Fund has invested in.

Value Partners China HK Bond and Gold Fund

	Fair value	% of net
	<i>HK\$</i>	assets
As at 30 June 2023		
Value Gold ETF	30,308,182	8.50
As at 30 June 2022		
Value Gold ETF	23,925,000	9.23

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR ASSOCIATES OR DELEGATES (CONTINUED)****(e) Other transactions and balances with the Trustee, the Manager and its related parties**

The Sub-Funds had the following additional transactions with the Manager and its related parties during the years ended 30 June 2023 and 2022. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

	Value Partners Asset Allocation Fund HK\$	Value Partners HK Equity 50 Focus Fund HK\$	Value Partners China HK Bond and Gold Fund HK\$
2023			
Management fee rebate	-	-	97,213
Other income	(107,884)	-	-
	<u> </u>	<u> </u>	<u> </u>
2022			
Management fee rebate	-	-	90,605
Other income	107,884	-	-
	<u> </u>	<u> </u>	<u> </u>

The Sub-Funds had the following balances with the Manager and its related parties.

	Value Partners Asset Allocation Fund HK\$	Value Partners HK Equity 50 Focus Fund HK\$	Value Partners China HK Bond and Gold Fund HK\$
As at 30 June 2023			
Management fee rebate receivable	-	-	9,244
	<u> </u>	<u> </u>	<u> </u>
As at 30 June 2022			
Management fee rebate receivable	-	-	16,555
	<u> </u>	<u> </u>	<u> </u>

In addition to the trustee fee as disclosed in note 6(b), the Sub-Funds had the following additional transactions with the Trustee and its related parties which also serve as a distributor of the Sub-Funds and nominees for the Sub-Funds' investors during the years ended 30 June 2023 and 2022. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

	Value Partners Asset Allocation Fund HK\$	Value Partners HK Equity 50 Focus Fund HK\$	Value Partners China HK Bond and Gold Fund HK\$
2023			
Interest on bank deposits	23,367	88,125	37,525
Dividends	-	1,965,943	-
Transaction costs*	-	2,863	5,641
	<u> </u>	<u> </u>	<u> </u>

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR ASSOCIATES OR DELEGATES (CONTINUED)****(e) Other transactions and balances with the Trustee, the Manager and its related parties (Continued)**

	Value Partners Asset Allocation Fund HK\$	Value Partners HK Equity 50 Focus Fund HK\$	Value Partners China HK Bond and Gold Fund HK\$
2022			
Interest on bank deposits	1,970	751	1,381
Dividends	-	976,038	-
Transaction costs*	-	3,483	1,872
	<u> </u>	<u> </u>	<u> </u>

* The commission paid by the Sub-Funds to related parties of the Trustee for the purchases and sales of investments during the years ended 30 June 2023 and 2022 are as follows:

	Value Partners HK Equity 50 Focus Fund		Value Partners China HK Bond and Gold Fund	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
Total commission paid by the Sub-Funds	181,440	144,315	1,633	4,833
Total commission paid to the related parties of the Trustee	330	2,554	-	-
Total aggregate value of the purchases and sales through the related parties of the Trustee	331,180	2,788,630	-	-
% of such transactions through the related parties of the Trustee to the total purchases and sales of the Sub-Funds	0.07%	0.85%	-	-
Average commission rate effected through the related parties of the Trustee	0.10%	0.09%	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

In addition to the trustee fees payables as disclosed in note 6(b), the Sub-Funds had the following additional balances with the Trustee and its related parties.

	Value Partners Asset Allocation Fund HK\$	Value Partners HK Equity 50 Focus Fund HK\$	Value Partners China HK Bond and Gold Fund HK\$
As at 30 June 2023			
Bank balance	162,883	4,838,947	5,324,438
Transaction costs payable	-	666	3,636
Interest on bank deposits receivable	10	99	109
	<u> </u>	<u> </u>	<u> </u>

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6 RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE TRUSTEE, THE MANAGER AND THEIR ASSOCIATES OR DELEGATES (CONTINUED)****(e) Other transactions and balances with the Trustee, the Manager and its related parties (Continued)**

	Value Partners Asset Allocation Fund HK\$	Value Partners HK Equity 50 Focus Fund HK\$	Value Partners China HK Bond and Gold Fund HK\$
As at 30 June 2022			
Bank balance	33,045,644	23,404,241	21,426,956
Transaction costs payable	-	400	-
Interest on bank deposits receivable	647	226	392
	<u>33,045,644</u>	<u>23,404,241</u>	<u>21,426,956</u>

In addition to the above transactions and balances with the Trustee and its related parties, Value Partners HK Equity 50 Focus Fund had an investment of HK\$33,672,000 (2022: HK\$29,585,120) in HSBC Holdings Plc, which is the ultimate holding company of the Trustee as at 30 June 2023.

7 CASH AND CASH EQUIVALENTS

	Value Partners Asset Allocation Fund HK\$	Value Partners HK Equity 50 Focus Fund HK\$	Value Partners China HK Bond and Gold Fund HK\$
As at 30 June 2023			
Cash held with bank	162,883	4,838,947	5,324,438
	<u>162,883</u>	<u>4,838,947</u>	<u>5,324,438</u>

	Value Partners Asset Allocation Fund HK\$	Value Partners HK Equity 50 Focus Fund HK\$	Value Partners China HK Bond and Gold Fund HK\$
As at 30 June 2022			
Cash held with bank	5,928,487	13,914,362	5,000,010
Time deposit with maturity of three months or less when acquired	27,117,157	9,489,879	16,426,946
	<u>33,045,644</u>	<u>23,404,241</u>	<u>21,426,956</u>

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
 - VALUE PARTNERS CHINA HK BOND AND GOLD FUND
- (SUB-FUNDS OF VALUE PARTNERS CHOICE INVESTMENT FUNDS)

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 sale of investments of Sub-Funds 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.

For Value Partners HK Equity 50 Focus Fund:

Capital gains tax on H-shares in PRC

The Sub-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"), the Sub-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 30 June 2023 and 2022.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
 - VALUE PARTNERS HK EQUITY 50 FOCUS FUND
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9 DISTRIBUTIONS TO UNITHOLDERS

The Manager does not intend to make distributions in respect of any of the Sub-Funds. Income and net capital gains realised on the sale of investments, if any, earned by the Sub-Funds will be reinvested in the Sub-Funds and reflected in the value of units of the Sub-Funds.

10 SOFT COMMISSION ARRANGEMENTS

The Manager may receive, and is entitled to retain, research products and services (known as soft dollar benefits) which are of demonstrable benefit to the Sub-Funds (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 the brokers 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 the brokers should not be a determinant factor on allocating orders among brokers. 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 years ended 30 June 2023 and 2022, the Manager and its connected persons did not enter into any soft dollar arrangements in connection with directing transactions of the Sub-Funds through a broker or dealer.

VALUE PARTNERS CHOICE INVESTMENT FUNDS

- VALUE PARTNERS ASSET ALLOCATION FUND
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**11 SECURITY LENDING ARRANGEMENTS**

During the years ended 30 June 2023 and 2022, the Sub-Funds did not enter into any security lending arrangements.

12 NEGOTIABILITY OF ASSETS

As at 30 June 2023 and 2022, there were no statutory or contractual requirements restricting the negotiability of the assets of the Sub-Funds.

13 COMMITMENTS

The Sub-Funds had no capital commitments as at 30 June 2023 and 2022.

14 CONTINGENT LIABILITIES

The Sub-Funds had no contingent liabilities as at 30 June 2023 and 2022.

15 BANK LOANS AND OTHER BORROWINGS

The Sub-Funds had no bank loans and other borrowings as at 30 June 2023 and 2022.

16 SUBSEQUENT EVENT

Pursuant to the notice to the Trustee by the Manager on 13 September 2023, the Manager has decided to terminate Value Partners Asset Allocation Fund as soon as practicable, subject to the regulatory bodies' approval. The Manager has submitted the applications to MPFA for the approval of the termination and cancellation of the approval status of the Sub-Fund and to the SFC for the withdrawal of the authorisation for the Sub-Fund under the SFC Code on MPF Products. As at the approval date of the financial statements, the applications are still in process.

17 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 20 October 2023.