Value Partners
Investing through discipline

VALUE PARTNERS IRELAND FUND PLC

(An open-ended umbrella investment company with variable capital and segregated liability between sub-funds)

(Registered Number 510728)

ANNUAL REPORT 2012

For the period from the date of incorporation 13 March 2012 to 31 December 2012

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GENERAL INFORMATION

The Directors:
Mr. Mike Kirby* (Irish)
(appointed 13 March 2012)
Mr. Jim Cleary** (Irish)
(appointed 13 March 2012)
Ms. Choy Kit Hung* (Chinese)
(appointed 26 March 2012)

Custodian:
Citibank International plc, Ireland Branch
1 North Wall Quay
Dublin 1
Ireland

Sub-Custodian:
Citibank Hong Kong
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Dillon Eustace
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Dublin 2
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Auditors and Tax Advisors:
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Ireland

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Secretary and Registered Office:
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Promoter, Investment Manager and Distributor:
Value Partners Hong Kong Limited
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Administrator:
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Governance Service Providers:
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Switzerland

* Denotes non-executive director
** Denotes independent non-executive director

COMPANY BACKGROUND

Structure

Value Partners Ireland Fund plc (the "Company") is an open ended umbrella investment company and segregated liability between Funds, with variable capital, incorporated in Ireland on 13 March 2012 under registration number 510728. The Company has been authorised by the Central Bank of Ireland ("Central Bank") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("the UCITS Regulations").

Shares representing interests in different Funds of the Company may be issued from time to time by the Directors. Within each Fund, the Directors may issue Shares or more than one class of Shares. All Shares of each class will rank pari passu save as provided for in the relevant Supplement. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each class of Shares) and will be invested in accordance with the investment objective and strategies applicable to the particular Fund.

The Company has segregated liability between its Funds and accordingly, any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

At 31 December 2012 the Company comprises of one Fund: Value Partners Absolute Greater China Classic Fund ("the Fund") which commenced operations on the 26 April 2012.

The US Dollar Class (Accumulating Non Hedged) launched on the 14 May 2012. At 31 December 2012, the Fund had one share class in issue – the US Dollar Class (Accumulating Non Hedged).

COMPANY BACKGROUND (Continued)

Investment Objectives and Policies

The investment objective of the Fund is to achieve long-term capital growth primarily through investment in equity and equity related securities listed on stock exchanges within the Asia Pacific Region.

The Fund intends to achieve its investment objective by investing primarily in equity and equity related securities listed on stock exchanges in markets in the Asia Pacific Region (at least 70% in value) and it may also invest in companies listed in other non-Asia Pacific countries which have a significant portion of assets, investments, production activities, trading or other business interests or which derive a significant part of their revenue from the Asia Pacific Region.

In order to achieve the investment objective, the Investment Manager will invest in a broadly diversified portfolio of securities with no fixed geographical or sector weightings in the allocation of assets in the Asia Pacific Region. The Investment Manager does not attempt to follow benchmark indices in determining the geographical or sector weighting of the Fund. There are no capitalisation restrictions on securities that can be held in the portfolio, but rather, selection will be determined by the availability of attractive investment opportunities. In addition to equities, the portfolio may from time to time invest in deposits with credit institutions and money market instruments. The Fund may invest in high yield bonds, corporate bonds, government bonds and convertible bonds across all ratings that are listed on stock exchanges in the Asia Pacific Region or unlisted but settled OTC on platforms such as Clearstream Banking AG, Clearstream Banking SA, Euroclear etc. The Investment Manager intends to invest at least 70% in various equities and the balance may be invested in other non-equity investments as referred to in this paragraph and such investment will be determined by the availability of attractive opportunities.

The Fund may invest, subject to a maximum limit of 10% of the Fund's assets in aggregate, in units or shares of other collective investment undertakings whose investment policy is consistent with the investment policy of the Fund. The Fund may also invest in futures, forwards, options, warrants, equity-linked notes (in particular Participation Notes) and other financial instruments for investment purposes. The Fund will not use securitized and structured finance instruments such as collateralised debt obligations, mortgage backed securities, asset-backed securities and credit default swaps.

The base currency of the Fund is US Dollar although investments may be denominated in a variety of currencies.

DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the period ended 31 December 2012.

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the Company's financial statements in accordance with applicable law and regulations. Irish company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The Company's financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and performance of the Company. The Companies Acts 1963 to 2012 (the "Acts") provide in relation to such financial statements that references in the relevant part of those Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Acts 1963 to 2012 and the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (Continued)

Corporate Governance Code

General Principles

The Board of Directors notes the issuance by the IFIA of the Corporate Governance Code for Collective Investment Schemes and management companies in December 2011 (the "new code"). The new code became effective from 1 January 2012 with a twelve month transitional period. The Directors adopted the new code from 1 January 2013.

Internal Control and Risk Management Systems in Relation to Financial Reporting

The Board of Directors is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has procedures in place to ensure all relevant books of account are properly maintained and are readily available, including production of annual and half-yearly financial statements. The annual and half-yearly financial statements of the Company are required to be approved by the Board of Directors of the Company and the annual and half-yearly financial statements of the Company are required to be filed with the Central Bank. The annual statutory financial statements are required to be audited by independent auditors who report annually to the Board of Directors on their findings.

The Company's financial statements will be published electronically on a website maintained by Value Partners Hong Kong Limited, namely www.valuepartners.net. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board of Directors evaluates and discusses significant accounting and reporting issues as the need arises. The Board of Directors has appointed Citibank Europe Plc as its Administrator. The Administrator maintains the books and records of the Company. The Administrator is authorised and regulated by the Central Bank and must comply with the rules imposed by the Central Bank. From time to time the Board of Directors also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence.

DIRECTORS' REPORT (Continued)

Dealings with Shareholders

The convening and conduct of shareholders' meetings are governed by the Articles of Association of the Company and the Companies Acts. Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors are required to convene an annual general meeting of the Company within fifteen months of the date of the previous annual general meeting. Shareholders representing not less than one tenth of the paid up share capital of the Company may also request the Directors to convene a shareholders' meeting. Not less than twenty one days notice of every annual general meeting and any extraordinary general meeting convened for the passing of a special resolution must be given to shareholders and fourteen days' notice must be given in the case of any other extraordinary general meeting unless the auditors of the Company and all the shareholders of the Company entitled to attend and vote agree to shorter notice.

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of non-participating shares present in person or by proxy shall have one vote in respect of all the non-participating shares in issue. On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.

DIRECTORS' REPORT (Continued)

Board Composition and Activities

Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors may not be less than two and may not be more than nine. Currently the Board of Directors of the Company is composed of three Directors, being those listed under General Information on page 2 of these financial statements.

The business of the Company is managed by the Directors, who exercise all such powers of the Company as are not by the Companies Acts or by the Articles of Association of the Company required to be exercised by the Company in general meeting.

A Director may, and the company secretary of the Company on the requisition of a Director will, at any time summon a meeting of the Directors. Questions arising at any meeting of the Directors are determined by a majority of votes. In the case of an equality of votes, the chairman has a second or casting vote. The quorum necessary for the transaction of business at a meeting of the Directors is two.

There are no sub-committees of the Board of Directors.

Principal Activities

Please refer to pages 3 to 4, Company Background, for a summary of the Company's principal activities.

Review of the Development of the Business and Future Developments

The Directors have entrusted the management of the Fund to the investment manager. The investment management activities, the details of the development of the Fund since date of incorporation and the future plans for the Fund is reviewed in detail in the Investment Manager's Report on pages 11 to 17.

DIRECTORS' REPORT (Continued)

Risk Management Objectives and Policies

The Company has been approved by the Central Bank as an Undertakings for Collective Investments in Transferable Securities ("UCITS") fund. It is an umbrella fund which at the date of this report consisted of one Fund. The Fund was operational during the period under review.

A detailed review of the principal risks and the management of those risks are included in Note 12 on pages 46 to 55.

Results

The financial position and results for the period are set out on pages 23 to 24.

The gain for the period amounted to USD 2,538,324.

Events During the Period

A Prospectus for Value Partners Ireland Fund plc was issued as of 20 April 2012. There were no material changes made to the Prospectus during the period.

On 26 April 2012, Value Partners Absolute Greater China Classic Fund ("the Fund") commenced operations. A supplement to the prospectus for this fund was issued as of 20 April 2012.

The US Dollar Class (Accumulating Non Hedged) launched on 14 May 2012.

An updated Prospectus for Value Partners Ireland Fund plc was issued as of 30 November 2012. In this updated Prospectus, there was an update to the Performance Fee policy. The updated performance fee policy has been included in Note 11.

Events After the Statement of Financial Position Date

An updated Prospectus for Value Partners Ireland Fund plc was issued as of 6 February 2013, where the name of the Fund was changed from Value Partners Absolute Greater China Classic Fund to Value Partners Classic Equity Fund.

DIRECTORS' REPORT (Continued)

Directors

The names of the persons who were Directors at any time during the period are set out on page 2.

Directors' and Secretary's Interests

None of the Directors and Secretary held any interests in the Company as at 31 December 2012 or at any point during the period.

Please refer to the "Related Parties" note 13 on pages 55 to 56 for details of transactions to the Director's respective entities during the period.

Books of Account

To ensure that proper books of account are kept in accordance with Section 202 of the Companies Act, 1990, the Directors of the Company have employed a service organisation, Citibank Europe Plc (the "Administrator"). The books of account are located at the offices of the Administrator at 1 North Wall Quay, Dublin 1, Ireland.

Auditors

The auditors, PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm, were appointed in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Board

Director: 11 April 2013

Director: 11 April 2013

INVESTMENT MANAGER'S REPORT

Value Partners Absolute Greater China Classic Fund (renamed as Value Partners Classic Equity Fund since 6 February 2013)

2012 was a macro-driven, roller-coaster year for the stockmarket, when value investing was put to a severe test. Value Partners Absolute Greater China Classic Fund underperformed the broader market, as investors remained defensive due to macro uncertainty. Fundamentals of companies were ignored in the face of hard-landing fears and leadership handover. The stocks we preferred – value companies – were generally ignored. But we held firm to our conviction so in the last few months of 2012, we saw our fund performance recovering, as investors began to refocus on stock selection. We believe the Fund's long-term performance is sustainable, and value investing will once again show its strength as China's economy stabilizes.

The mainland Chinese stockmarkets have been among the worst performing major markets globally in the past few years which, as we pointed out before, is not justified given China's strong economic growth against its peers. Based on our twenty-year experience of investing in China markets, severe underperformance may be followed by significant outperformance. We believe the pendulum should be swinging in our favor, after a few difficult years.

B-share investment success, redux

Patience is important for investing in the region. In December, the B-share market finally sparked to life following the successful transfer of a transport and container company from B to H shares. At Value Partners, we are one of the leaders in B-share investing and we expect to take advantage of this unique opportunity – not only now but since the 1990s. Back then, Value Partners engaged in an exhaustive effort to understand the mispriced B-share businesses. We found companies of tremendous value and subsequently launched one of Asia's first B-share funds in July 2000. In 2001, the B-share market returned over 90% as policy flexibility helped reduce the discount in B shares. We believe we could now be potentially facing a similar situation.

INVESTMENT MANAGER'S REPORT (Continued)

B-share investment success, redux (Continued)

One of our top holdings as of 31 December 2012 was China Vanke, mainland's largest developer of residential properties in terms of contract sales with excellent management. We invested in the company not only because of the discount offered on the B-share market, but also the company's quality and intrinsic value. We have been investing in China Vanke since 2000, and in 2012, the company was the top contributor to the Fund's portfolio given China's strong property sector. The company is well managed with a great balance of business flexibility and execution efficiency. Over the years, we have witnessed how the company has achieved its clear vision in providing affordable property units for the masses, while ensuring capital and land are used efficiently to ensure a high level of asset turnover.

In China's property market – one of the world's most important sectors impacting a range of industries from commodity to power generation – we see that a fine balance is being maintained between price and demand. While the government has vowed to keep property market regulation in place, further tightening is unlikely when there is no sign of over-heating. To reduce over-investment in property, real estate tax might be expanded to cities besides Shanghai and Chongqing, but it will likely take the form of pilot schemes before going nation-wide. Meanwhile, we may continue to see a dual-track development, with commodity housing for the relatively wealthy and social housing for the low-income group. The two-tier system will serve the government's purpose in a balanced growth for the sector. The sector appreciated last year on recovering transaction volume supported by genuine demand emerging, after the implementation of tightening policy for the past two and a half years. We remain engaged in this sector as we anticipate that real demand will continue to return, boosted by steady income growth for urban workers and continued urbanization.

INVESTMENT MANAGER'S REPORT (Continued)

More reforms with new leaders

For China, 2012 was a year of economic rebalancing and leadership change. In contrast to many bearish investors, we did not believe that there would be a hard landing in China. In the fourth quarter, we saw clear and broad-based signs that the economy had bottomed out. While China's double-digit growth is something of the past, a GDP growth rate at above 7% would be high enough to bring the size of its economy to double in a decade.

In the once-in-a-decade leadership change in China, Xi Jinping and Li Keqiang became new leaders as expected. We see the transition as a positive development. The new line-up lends much weight to the country's economic and social reform, with Xi's experience in market-friendly scientific economic development combined with Li's knowledge in structural change (the latter being a PhD in economics). Given their previous on-the-ground experience and long, 10-year tenure, both leaders will likely pursue long-term reform policies to drive sustainable growth.

We anticipate a wide range of economic and financial reforms in the coming few years. Reforms orchestrated to liberalize the financial system will cover interest rates, exchange rates, capital account and the development of the bond market. Such reforms will not only deepen the capital market, steer the economy towards consumption and internationalize the RMB, but also help drive long-term funding for urbanization projects. Meanwhile, changes will also be seen in the tax system, fiscal expenditure, resource pricing, private investment in monopoly sectors, as well as residence permit (hukou). Successfully implemented, resources allocation will be more efficient and social stability can be maintained. Unleashing the potential of the inland, in particular, will provide fresh impetus for growth in the coming decade.

INVESTMENT MANAGER'S REPORT (Continued)

Bottom-up approach the key

In a period of slower but higher-quality growth, we believe our strong fundamental research will play to our advantage as company performance tends to become more differentiated. It is the time when bottom-up stock picking can best capture value for investors. A case in point is the healthcare sector. The sector has seen phenomenal growth as part of the social expenditure reform, and the government is committed to maintaining significant investment in this area. Furthermore, personal consumption in this area also remains strong as the population ages and individuals' wealth increases. Despite these strong fundamentals, pharmaceutical companies were de-rated to attractive levels due to government implementation of drug price cuts particularly in 2011 due to high inflation. Taking advantage of the attractive opportunity, we increased the Fund's healthcare exposure which went up from 2% in May to 10% by August including our top healthcare position, Shanghai Pharmaceuticals, which remained one of the Fund's top holdings by the end of 2012.

In conducting our constant on-the-ground research, we have come to notice that exporters have been largely ignored due to challenges in developed markets. In the technology sector, we see China-related businesses are benefitting from the country's consumption growth.

Gold exposure and macro overlay

In 2012, because of the turbulent environment we made adjustments to our asset allocation and stock positioning. From a macro perspective, in the first half of the year, we were more conservative and maintained a moderate level of cash, and used hedging at times to reduce the equity exposure of our portfolio. This contrasted significantly with our well-invested allocation since the middle of the third quarter when we viewed investors were being overly pessimistic. We believed stocks were very attractively valued then, and trimmed our exposure to gold via an ETF to make room for equities. Such allocation throughout the year helped contribute to the Fund's return.

Our exposure to companies leveraged to power demand, particularly in coal, suffered as inventory levels increased. We look forward to a 2013 that is more favorable to our fundamental research that would allow our ideas to bear fruit.

Finally, in the Japanese market, long considered stale and shrinking, we have seen interesting opportunities following the swearing in of a new prime minister. A stimulus package to boost the country's GDP has already been announced and may support the market going forward. In Southeast Asia, we have identified certain interesting ideas and will keep looking for value.

INVESTMENT MANAGER'S REPORT (Continued)

Corporate update

Despite 2012 being a difficult year for fund managers – particularly value investors like us who focus on China's small– and mid-cap stocks – we are pleased to see net inflow into our funds. This reflects the faith investors have placed in us as well as our disciplined value investing approach. We sincerely thank our investors for their support.

This year marks the 20th anniversary of Value Partners. Strict value investing discipline has taken us a long way, and we will adhere unwaveringly to the principles of this classic investment style as we strive to become the "Temple of Value Investing in Asia."

Value Partners Hong Kong Limited
11 April 2013

All performance figures are sourced from Bloomberg. Individual stock performance is not indicative of fund performance.

Investors should note that the Fund is not a guaranteed fund. Value of investment in the Fund can go down as well as up and return upon such investment will therefore necessarily be variable. Neither past experience nor the current situation are necessarily accurate guides to the future. Past performance may not be a reliable guide to future performance. Changes in exchange rates may have an adverse effect on the value price or income of the Fund. Investors should also be aware that the Fund may be subject to sudden and large falls in value, in which case investors could lose the total value of their initial investment. Investors should refer to the Prospectus, relevant Supplement and Key Investor Information Document of the Fund for further details and the risk factors in particular those involved in investing in emerging markets prior to the subscription of the units of the Fund.

Neither the Company nor the Fund is authorized by the Hong Kong Securities and Futures Commission ("SFC") and therefore shares of the Fund are not available to retail investors in Hong Kong. This document has not been reviewed by the SFC. Issuer: Value Partners Hong Kong Limited.

INVESTMENT MANAGER'S REPORT (Continued)

Value Partners Absolute Greater China Classic Fund: 5 biggest holdings of securities as at 31 December 2012

Stock	Industry	Valuation (2013 Estimates)	Remarks
China Vanke (Code: 200002 CH) Market cap: US$17.7 billion	Real estate	Price: HK$12.50 P/E: 7.7x P/B: 1.5x Yield: 2.0%	China Vanke is China's largest developer of residential properties in terms of contract sales. They have over 300 projects that are located in over 60 cities in mainland China. Given its strong brand recognition and seasoned management, China Vanke is well positioned to benefit from China's long-term secular growth of housing demand, which is supported by sustainable household income growth and the rapid pace of urbanization. We see China Vanke's land bank as one of the most diversified among its peers. Coupled with its excellent project execution and development ability, we believe the company can continue to deliver faster sales growth than its peers. With solid balance sheet and ample cash on hand, the company carried out more land acquisitions than its peers during 2012, which will allow it to further solidify its leadership in the coming two years.
China ZhengTong Auto Services (Code: 1728 HK) Market cap: US$1.5 billion	Auto dealer	Price: HK$5.39 P/E: 9.1x P/B: 1.2x Yield: N/A	China ZhengTong Auto Services ("ZhengTong") is a leading 4S dealership operator in China, operating over 66 4S dealership stores covering 27 cities in 12 provinces in China by the end of June 2012, with a focus on premium car brands such as BMW, Land Rover, Audi, Porsche, Volvo etc. Turnover from premium brands accounted for about 88% of the total revenue in the first half of 2012. ZhengTong is one of the Top 3 dealership groups for BMW, Land Rover and Volvo in China in terms of both number of stores and sales volume in 2011 and 2012. We believe the company is set to benefit from the sustained demand growth for premium cars in China as the penetration of premium cars remains lower than developed markets and global average. We also see sustained growth in the related after-sales-service business as the result of rising premium car ownerships, which are not cyclical in nature and generate stable cash flow for the company.
Industrial & Commercial Bank of China (Code: 1398 HK) Market cap: US$248.1 billion	Banking	Price: HK$5.50 P/E: 6.9x P/B: 1.4x Yield: 5.0%	Industrial & Commercial Bank of China ("ICBC") is the largest commercial bank in China in terms of assets and deposits. An extensive network of over 16,000 branches and a huge customer base gives ICBC scale advantage in building a consumer banking franchise, allowing it to rely less heavily on interest income in the long run. Already, close to a quarter of the bank's income comes from fees and so despite its low loan-to-asset ratio, its return on assets and return on equity are among the best in the industry.

INVESTMENT MANAGER'S REPORT (Continued)

Stock	Industry	Valuation (2013 Estimates)	Remarks
PetroChina (Code: 857 HK) Market cap: US$259.3 billion	Energy	Price: HK$10.98 P/E: 13.0x P/B: 1.5x Yield: 3.4%	PetroChina is the largest integrated oil company in Asia in terms of market capitalization. Exploration and production assets consist of crude reserves of over 11 billion barrels, and gas reserves of over 66,000 billion cubic feet. This is complemented by a pipeline network of over 60,000 km in China. Its downstream assets consist of refining, and a service-station marketing network of over 19,000 stations, which benefits from the current focus of oil price reforms. In 2011, the company produced 886 million barrels of oil ("BOE") and 2,396 billion cubic feet of gas, mostly in China, while its overseas assets in South America, Africa and Central Asia produced 120.8 million BOE of oil and gas. Crude production grew by 3.3% and gas production grew by 7.9% over the same period. Gas is expected to drive growth over the next five years, supplemented by pipeline investments of over RMB300 billion since 2002. PetroChina is expected to benefit from growth in gas usage as China aims to diversify its energy reliance from coal.
Shanghai Pharmaceuticals (Code: 2607 HK) Market cap: US$5.1 billion	Drug manufacturer and distributor	Price: HK$14.80 P/E: 13.9x P/B: 1.2x Yield: 1.6%	Shanghai Pharmaceuticals Holdings Co Ltd. ("Shanghai Pharma") is one of the leading pharmaceutical distributors and manufacturing companies in China, with business covering chemical, biopharmaceutical and traditional Chinese medicine (TCM) products. At the same time, being a top drug distributor, the company benefits from its extensive network (possessing the largest retail drug store operation in the eastern China region), which could help it remain resilient in the face of drug price cuts set by government authorities impacting manufacturers. Shanghai Pharma is also expected to benefit from increased government spending on healthcare infrastructure and the population's greater healthcare awareness on aging.

Note: *The above investments made up 21.4% of Value Partners Absolute Greater China Classic Fund as at 31 December 2012. The stock prices are based on the closing of 31 December 2012.*

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

CUSTODIAN'S REPORT

We have enquired into the conduct of Value Partners Ireland Fund Plc ('the Company') for the period ended 31 December 2012, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Bank of Ireland's UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Central Bank of Ireland's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

CUSTODIAN'S REPORT (Continued)

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, (the 'Regulations'); and

(ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.

Citibank International plc, Ireland branch
1 North Wall Quay
Dublin

11 April 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VALUE PARTNERS IRELAND FUND PLC

We have audited the financial statements of Value Partners Ireland Fund plc for the period from 13 March 2012 (date of incorporation) to 31 December 2012 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders and the related notes for the company and for its fund and the Schedule of Investments for the fund. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Audited Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VALUE PARTNERS IRELAND FUND PLC (Continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with IFRSs as adopted by the European Union, of the state of the company's and fund's affairs as at 31 December 2012 and of their results and cash flows for the period then ended; and

- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

- In our opinion proper books of account have been kept by the company.

- The financial statements are in agreement with the books of account.

- In our opinion the information given in the Directors' Report is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VALUE PARTNERS IRELAND FUND PLC (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Declan Murphy
For and on behalf of
PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

11 April 2013

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Notes	Absolute Greater China Classic Fund USD
Current Assets:		
Financial Assets at fair value through profit or loss	3	28,638,056
Cash and cash equivalents	10	337,717
Amounts due from brokers	5	296,216
Prepaid Expenses		136,348
Total Assets		**29,408,337**
Liabilities:		
Performance fee payable	11	(302,504)
Amounts due to brokers	5	(113,698)
Other Fees Payable		(78,984)
Custodian Fees Payable	11	(50,217)
Investment Manager Fees Payable	11	(29,828)
Trustee Fees Payable		(23,826)
Administration Fees Payable	11	(17,544)
Audit Fees Payable		(16,083)
Transfer Agency Fees Payable		(10,042)
Director Fees Payable	11	(9,573)
Liabilities (excluding Net Assets Attributable to Redeemable Participating Shareholders)		**(652,299)**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION (Continued)

AS AT 31 DECEMBER 2012

	Notes	Absolute Greater China Classic Fund USD
Net Assets Attributable to Redeemable Participating Shareholders (in accordance with IFRS)		**28,756,038**
Unamortised Preliminary Fees	11	16,319
Net Assets Attributable to Redeemable Participating Shareholders (in accordance with the Prospectus)		**28,772,357**

		As at 31 December 2012
Shares in Issue		
US Dollar Class (Accumulating Non Hedged)	4	2,603,157
Net Asset Value Per Share		
US Dollar Class (Accumulating Non Hedged)		11.05

On behalf of the Board

Director
Date: 11 April 2013

Director
Date: 11 April 2013

The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 13 MARCH 2012 (DATE OF INCORPORATION) TO 31 DECEMBER 2012

	Notes	**Absolute Greater China Classic Fund** *USD*
Investment Income:		
Interest Income		51
Dividend Income		199,089
Net gain on financial assets and financial liabilities at fair value through profit or loss	*3*	3,208,958
Total Investment Income		**3,408,098**
Expenses:		
Performance Fees	*11*	(302,504)
Investment Manager Fees	*11*	(139,522)
Transaction Fees	*11*	(96,020)
Custodian Fees	*11*	(50,217)
Trustee Fees		(23,826)
Administration Fees	*11*	(17,544)
Audit Fees		(16,083)
Transfer Agent Fees		(10,042)
Directors Fees	*11*	(9,573)
Other Expenses		(204,672)
Total Operating Expenses		**(870,003)**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME (Continued)

FOR THE PERIOD FROM 13 MARCH 2012 (DATE OF INCORPORATION) TO 31 DECEMBER 2012

	Notes	**Absolute Greater China Classic Fund** *USD*
Withholding taxes		(16,090)
Adjustment for Preliminary Fees	*11*	16,319
Increase in Net Assets Attributable to Redeemable Participating shares resulting from operations		**2,538,324**

On behalf of the Board

Director	*Director*
Date: 11 April 2013	Date: 11 April 2013

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

FOR THE PERIOD FROM 13 MARCH 2012 (DATE OF INCORPORATION) TO 31 DECEMBER 2012

	Absolute Greater China Classic Fund *USD*
Net Assets Attributable to Redeemable Participating Shareholders as at the beginning of the period	–
Proceeds from Redeemable Participating Shares Issued	26,964,033
Payments for Redeemable Participating Shares Redeemed	(730,000)
Increase in Net Assets Attributable to Redeemable Participating Shareholders from Operations	2,538,324
Net Assets Attributable to Redeemable Participating Shareholders as at the end of the period	**28,772,357**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 13 MARCH 2012 (DATE OF INCORPORATION) TO 31 DECEMBER 2012

	Absolute Greater China Classic Fund *USD*
Cash flows from operating activities	
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	2,538,324
Adjustments to reconcile profit attributable to holders of redeemable participating shares to net cash from operating activities:	
Increase in Financial Assets at fair value through profit or loss	(28,638,056)
Increase in Prepaid Expenses	(136,348)
Increase in Amounts Due to Brokers	113,698
Increase in Amounts Due from Brokers	(296,216)
Increase in Administrator Fees Payable	17,544
Increase in Audit Fees Payable	16,083
Increase in Custodian Fees Payable	50,217
Increase in Director Fees Payable	9,573
Increase in Investment Manager Fees Payable	29,828
Increase in Other Fees Payable	62,665
Increase in Performance Fees Payable	302,504
Increase in Transfer Agency Fees Payable	10,042
Increase in Trustee Fees Payable	23,826
Net cash to operating activities	**(25,896,316)**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS (Continued)

FOR THE PERIOD FROM 13 MARCH 2012 (DATE OF INCORPORATION) TO 31 DECEMBER 2012

	Absolute Greater China Classic Fund *USD*
Cash flows from financing activities	
Proceeds from issue of redeemable participating shares	26,964,033
Payment for redemption of redeemable participating shares	(730,000)
Net cash flow from financing activities	**26,234,033**
Net increase in cash and cash equivalents	337,717
Cash and cash equivalents at the beginning of the period	–
Cash and cash equivalents at the end of the period	**337,717**
Supplementary cash flow information	
Interest received	51
Interest paid	–
Dividends received	199,089
Dividends paid	–

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Value Partners Ireland Fund plc (the "Company") is an open ended umbrella investment company and segregated liability between Funds, with variable capital, incorporated in Ireland on 13 March 2012 under registration number 510728. The Company has been authorised by the Central Bank of Ireland ("Central Bank") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) ("the UCITS Regulations").

At 31 December 2012 the Company comprises of one Fund: Value Partners Absolute Greater China Classic Fund ("the Fund").

The US Dollar Class (Accumulating Non Hedged) launched on the 14 May 2012. At 31 December 2012, the Fund had one share class available for issue – the US Dollar Class (Accumulating Non Hedged).

The investment objective of the Fund is to achieve long-term capital growth primarily through investment in equity and equity related securities listed on stock exchanges within the Asia Pacific Region.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the E.U. and interpretations adopted by the International Accounting Standards Board ("IASB") and the provisions of the Companies Acts 1963 to 2012 and the UCITS Regulations. These requirements will be prospectively adopted by the Company and included in the financial statements for the next year end.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Accounting and Presentation of Financial Statements

The financial statements are measured and presented in the currency of the primary economic environment that the Fund operates which is US Dollar ("USD").

The financial statements are prepared on a fair value basis for the financial assets and financial liabilities through profit and loss.

The presentation of financial statements in conformity with IFRS requires management to make judgement's, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

New standards, amendments and interpretations to existing standards which are relevant to the Fund and not yet effective

On 12 May 2011, the International Accounting Standards Board ("IASB") issued IFRS 13 Fair Value Measurement. This standard defines fair value, provides guidance for fair value measurement and sets out disclosure requirements. IFRS 13 does not introduce any new fair value measurements but explains how to measure fair value when it is required by other IFRS's. Some of the disclosures required, including the fair value hierarchy, were already introduced in March 2009 through an amendment to IFRS 7 Financial Instruments: Disclosures. Those disclosures have been relocated to IFRS 13.

IFRS 13 Financial Instruments was adopted by the European Union on the 11 December 2012. The Standard states that it is applicable for all accounting periods commencing on or after 1 January 2013. Early adoption is allowed before this date. However, the Fund has not early adopted this standard for the current reporting period.

No impact on the net asset value and the results of the Fund is expected from adoption of IFRS 13.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Accounting and Presentation of Financial Statements (Continued)

New standards, amendments and interpretations to existing standards which are relevant to the Fund and not yet effective (Continued)

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial asset. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Fund's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Fund will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

c) Foreign Currency Translation

The financial statements are measured and presented in the currency of the primary economic environment that the Fund operates which is US Dollar ("USD"). Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to USD at the foreign currency exchange rate ruling at the Statement of Financial Position date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Statement of Comprehensive Income. Foreign exchange gains/losses relating to investments at fair value through profit or loss are included in gains and losses on investments in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Instruments

(i) Classification

The Fund classifies its financial assets and financial liabilities into the categories below in accordance with IAS 39 Financial Instruments: Recognition and Measurement (IAS 39).

Financial assets and financial liabilities held for trading:

These include preferred stock, equities, contracts for difference (CFDs), foreign exchange forward contracts, and liabilities from short sales of financial instruments. These instruments are acquired or incurred principally for the purpose of generating a profit from short-term fluctuation in price. Derivatives are categorised as held for trading, as the Company does not designate any derivatives as hedges for hedge accounting purposes as described under IAS 39.

Financial assets and liabilities designated at fair value through profit or loss at inception:

Financial assets and financial liabilities designated at fair value through profit and loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

(ii) Recognition and Derecognition

All regular way purchases and sales of investments are recognised on the trade date, which is the date that the Fund commits to purchase or sell an asset. Regular way purchases or sales are purchases or sales of financial instruments that require delivery of assets within the period generally established by regulation or convention in the market place. Realised gains and losses on disposals of investments are calculated using the average cost method.

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Instruments (Continued)

(ii) Recognition and Derecognition (Continued)

The Fund derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Fund's right to receive payments is established.

(iv) Measurement

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in gains and losses arising from fair value recognised in the Statement of Comprehensive Income.

Financial liabilities arising from redeemable shares issued by the Fund are carried at redemption amount representing the investors right to a residual interest in the Fund's assets.

(iv) Fair value measurement principles

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of financial assets and liabilities is based on their quoted market prices on a recognised exchange or sourced from reputable brokers/counterparties or independent market data providers, in the case of non-exchange traded instruments, at the Statement of Financial Position date without any deduction for estimated future selling costs. Financial assets and financial liabilities are priced at their last traded prices.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Instruments (Continued)

(iv) Fair value measurement principles (Continued)

For all other financial instruments not traded in an active market or where no broker/counterparty quotes can be obtained, the fair value is determined by using appropriate valuation techniques, which include using arm's length transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

Subsequent changes in gains and losses on the fair value of financial assets and liabilities at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

e) Cash and Cash Equivalents

Cash comprises of current deposits with banks which are highly liquid or with maturities of 3 months or less.

f) Operating Expenses

Operating expenses of the Company are expensed in the period to which they relate.

g) Dividend income and expense

Dividend income is credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend". Income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Statement of Comprehensive Income, and net of any tax credits. Dividend expense relating to securities sold short is recognised when the shareholders right to receive is established.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Interest Income

Interest income is recognised in the Statement of Comprehensive Income as it accrues. Deposit interest is recognised as income on an effective yield basis using the original effective interest rate of the instrument calculated at the acquisition or origination date.

i) Net Asset Value Per Share

The net asset value per share for the Fund is calculated by dividing the total net asset value of the Fund by the total number of shares outstanding for that Fund.

j) Redeemable Participating Shares

Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The liabilities arising from the redeemable shares are carried at the redemption amount being the Net Asset Value calculated in accordance with IFRS.

The Fund issues shares at the Net Asset Value of the existing shares. The holder of participating shares can redeem them at any dealing date for cash equal to a proportionate share of the Fund's Net Asset Value. The Fund's Net Asset Value per share is calculated by dividing the net assets attributable to shareholders by the number of shares in issue.

k) Pricing Policy

The investments have been valued at last traded prices at 12 noon GMT on 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2012, the financial assets at fair value through profit or loss comprised the following:

	Absolute Greater China Class Fund 31 December 2012 *USD*
Financial assets – held for trading	
Equity Securities	26,988,942
Investment Funds	1,649,114
Total assets held for trading	**28,638,056**

	31 December 2012 *USD*
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	
– Realised gain	663,348
– Unrealised gain	2,545,610
Net gain	**3,208,958**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SHARE CAPITAL

The authorised share capital of the Company is 300,000 redeemable non-participating shares of no par value and 500,000,000,000 participating Shares of no par value. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid therefor but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. There are 300,000 non-participating shares currently in issue two of which were taken by the subscribers to the Company and transferred to the Investment Manager and the remainder of which are held by the Company.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of non-participating shares present in person or by proxy shall have one vote in respect of all the non-participating shares in issue. On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.

Share capital transactions for the period ended 31 December 2012 were as follows:

US Dollar Class (Accumulating Non Hedged)

	Number of Shares	**Amount** *USD*
Opening balance	–	–
Redeemable participating shares issued	2,672,715	26,964,033
Redeemable participating shares redeemed	(69,558)	(730,000)
Closing balance	**2,603,157**	**26,234,033**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. AMOUNTS DUE FROM/(TO) BROKERS

Amounts receivable from and payable to brokers include amounts receivable or payable for securities transactions that have not settled at the period end.

	31 December 2012
	USD
Balances due from brokers	296,216
Balances due to brokers	(113,698)
Balances due from brokers	**182,518**

6. TAXATION

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

a) A Shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and

b) Certain exempted Irish tax resident Shareholders who have provided the Company with the necessary signed statutory declarations.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TAXATION (Continued)

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its Shareholders.

7. COMMITMENTS AND CONTINGENT LIABILITIES

At the Statement of Financial Position date, the Company has no commitments or contingent liabilities.

8. SOFT COMMISSION ARRANGEMENTS

There were no soft commission arrangements in place during the period.

9. EXCHANGE RATES

The financial statements are prepared in USD. Exchange rates used to translate assets and liabilities in other currencies to USD at 31 December 2012 were as follows:

CNY/USD:	1	6.2303
EUR/USD:	1	0.7585
HKD/USD:	1	7.7507
IDR/USD:	1	9,637.625
KRW/USD:	1	1,070.5721
NOK/USD:	1	5.5824
PHP/USD:	1	41.0627
SGD/USD:	1	1.2219
TWD/USD:	1	29.0394

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. CASH AND CASH EQUIVALENTS

All monies are held with the Sub-Custodian Citibank, N.A. Hong Kong in the name of Value Partners Absolute Greater China Classic Fund.

	31 December 2012
	USD
Cash and bank balances	337,717
	337,717

11. FEES AND EXPENSES

The Company may pay out of the assets of the Fund the fees and expenses payable to the Investment Manager, the Custodian, the Administrator and the Distributor, the fees and expenses of sub-custodians which will be at normal commercial rates, the fees and expenses of the Directors, any other miscellaneous fees such as, stamp duties, all taxes, company secretarial fees, any costs incurred in respect of meetings of Shareholders and marketing and distribution costs.

Such fees, duties and charges will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund, the expense will be allocated by the Directors with the approval of the Custodian, in such manner and on such basis as the Directors in their discretion deem fair and equitable.

In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. FEES AND EXPENSES (Continued)

Administration Fee

The administration fee payable is an amount up to:

- 0.06% per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value up to USD 100 million;
- 0.04% per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value from USD 100 million to USD 300 million; and
- 0.02% per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value in excess of USD 300 million;

subject to annual minimum fee per Fund of USD 30,000 borne by the Fund (plus VAT, if any thereon).

The Administration Fees payable and incurred for the year ended at 31 December 2012 are presented in the Statement of Financial Position and Statement of Comprehensive Income on pages 23 and 25, respectively.

Investment Manager Fee

The investment management fee payable to the Investment Manager is 1.25% per annum of the Net Asset Value of the Fund, calculated in US Dollar. Such fees accrue at each valuation point and are paid monthly in arrears.

The Investment Manager Fees payable and incurred for the year ended at 31 December 2012 are presented in the Statement of Financial Position and Statement of Comprehensive Income on pages 23 and 25, respectively.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. FEES AND EXPENSES (Continued)

Performance Fee

The Investment Manager is also entitled to receive an annual performance fee, calculated on a high-on-high basis, if the Net Asset Value per Share as at the Performance Fee Valuation Day (prior to the deduction of any provision for any performance fee and any distribution declared or paid in respect of that performance period) exceeds the higher of (a) the Initial Price of the relevant Class; and (b) the Net Asset Value per Share as at the Performance Fee Valuation Day of the preceding performance period in respect of which a performance fee was last paid to the Investment Manager (after deduction of all fees including any performance fee and any distribution declared or paid in respect of that preceding performance period).

The rate of performance fee payable is 15% and is calculated by multiplying this fee rate by the product of such excess of the Net Asset Value per Share and the average of the number of Shares of the Company in issue on each Valuation Day in the relevant performance period.

However, effective from 1 January 2013 the Investment Manager currently does not intend to charge a performance fee until 1 January 2014 unless any of the following events occur prior to such date:

- the Net Asset Value per Share exceeds USD 13. In such case, the performance fee waiver will be retracted and the performance fee will become chargeable on the difference between the high watermark Net Asset Value per Share and the USD 13 threshold; or

- there is a change in control in respect of the Investment Manager or the group of companies to which it belongs. In such case, the performance fee waiver will be retracted and the performance fee will become chargeable as if it had not been waived.

The Directors will notify the Shareholders if any of the above events occur prior to 1 January 2014 and the performance fee becomes chargeable.

The Performance Fees payable and incurred for the year ended at 31 December 2012 are presented in the Statement of Financial Position and Statement of Comprehensive Income on pages 23 and 25, respectively.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. FEES AND EXPENSES (Continued)

Custodian Fee

The custodian fee payable is an amount up to:

- 0.02% per annum of the Net Asset of the Fund on the portion of the Net Asset Value up to USD 100 million; and

- 0.01% per annum of the Net Asset of the Fund on the portion of the Net Asset Value in excess of USD 100 million;

subject to annual minimum fee per Fund of USD 18,000 borne by the Fund (plus VAT, if any thereon).

The Custodian shall also be entitled to be repaid all of its disbursements out of the assets of the relevant Fund, including legal fees, couriers' fees, transaction charges and telecommunication costs and expenses and the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Custodian Fees payable and incurred for the year ended at 31 December 2012 are presented in the Statement of Financial Position and Statement of Comprehensive Income on pages 23 and 25, respectively.

Directors Fee

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors. The Directors shall receive a fee for their services up to a total aggregate maximum fee of €15,000 per annum, or such other amount as may from time to time be disclosed in the annual report of the Company. Any increase above the maximum permitted fee will be notified in advance to Shareholders. Each Director may be entitled to special remuneration if called upon to perform any special or extra services to the Company. Only Mr. Mike Kirby and Mr. Jim Cleary are entitled to these fees as the Ms. Choy, Kit Hung has waived her fees.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. FEES AND EXPENSES (Continued)

Directors Fee (Continued)

All Directors will be entitled to be reimbursed out of the assets of the Funds for out of pocket expenses incurred in discharging their duties as Directors. Directors fees of USD 9,573 were incurred during the period of which USD 9,573 was payable at 31 December 2012.

Preliminary Fees

Preliminary fees and expenses relating to the establishment and organisation of the Company are estimated to amount to USD 100,000 and will be amortised over the first three financial years from the commencement of trading of the Company or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair and shall be subject to such adjustment following the establishment of new Funds as the Directors may determine. The total amount of preliminary expenses incurred for the period ending 31 December 2013 was USD 43,975.

Preliminary fees of USD 28,948 were incurred during the period of which USD 16,319 was unamortised at 31 December 2012.

Preliminary fees have been fully expensed as incurred in line with IFRS requirements. However, preliminary fees per the dealing valuation are being written off over a three year period in line with the Prospectus. The unamortised USD 16,319 difference between the two valuations has been shown as reconciliation on the face of the Statement of Financial Position and the Statement of Comprehensive Income on pages 24 and 26 respectively.

Transaction Costs

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. FEES AND EXPENSES (Continued)

Transaction Costs (Continued)

Transaction costs on the purchase and sale of bonds, forwards and swaps are included in the purchase and sale price of the investment. They cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed. Transaction costs on purchases and sales of equities are disclosed in the Statement of Comprehensive Income on page 25.

Auditor's Remuneration

The remuneration for all work carried out by the statutory audit firm for the period ended 31 December 2012.

	As at 31 December 2012 *USD*
Statutory Audit	18,457
Other Assurance services	–
Tax Advisory services	–
Other Non-Audit services	–

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

Risk is inherent in the activities of the Fund but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The Fund is exposed to market risk (which includes currency risk, interest rate risk and market price risk), credit risk and liquidity risk arising from the financial instruments it holds. Other risks which the Fund is exposed to are set out in the Prospectus.

The main risks arising from financial instruments and the policies for managing these risks are stated below. These policies have been applied throughout the period under review.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

Market Risk

(i) Market Price Risk

The main risk arising from the Fund's financial instruments is market price. Market price risk is the risk that the value of the Fund's investments will fluctuate as a result of changes in market price caused by factors other than interest rate or foreign currency movements. Market price risk arises mainly from uncertainty about future prices of financial instruments that the fund might hold. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. The Fund's investment portfolios are exposed to market price fluctuations, which are monitored by the investment manager in pursuance of the stated investment objectives, and policies as set out in the Prospectus.

At 31 December 2012, had the market price rate increased or decreased by 5%; with all other variables held constant, the increase or decrease in the net asset value of the Absolute Greater China Classic Fund would amount to approximately USD 1,431,903.

The global exposure on this Fund is calculated using the commitment approach methodology. At 31 December 2012, the Fund held no derivatives.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of the Fund's investments will fluctuate as a result of changes in foreign currency exchange rates.

For the Funds where an element of the investment portfolio is invested in overseas securities the Statement of Financial Position can be affected by movements in exchange rates. The investment manager may seek to manage exposure to currency movements by using forward foreign currency contracts or by hedging the fund currency value of investments that are priced in other currencies.

The foreign currency exposure for the Fund is shown below.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

Market Risk (Continued)

(ii) Foreign Currency Risk (Continued)

Absolute Greater China Classic Fund

As at 31 December 2012

	Monetary exposures *USD*	**Non-monetary exposures** *USD*	**Total** *USD*
Assets			
Hong Kong Dollar	232,238	23,155,938	23,388,176
Indonesia Rupiah	489	414,248	414,737
Norwegian Krone	141	568,846	568,987
Philippine peso	399	393,696	394,095
Renminbi	4,987	–	4,987
Singapore Dollar	19,827	1,447,157	1,466,984
South Korean Won	4,027	244,903	248,930
Taiwan Dollar	30,635	1,998,331	2,028,966
U.S. Dollar	44,974	847,501	892,475
	337,717	**29,070,620**	**29,408,337**
Liabilities			
Hong Kong Dollar	–	(73,447)	(73,447)
South Korean Won	–	(26,871)	(26,871)
Taiwan Dollar	–	(535,662)	(535,662)
	–	**(635,980)**	**(635,980)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

Market Risk (Continued)

(ii) Foreign Currency Risk (Continued)

At 31 December 2012, had the exchange rate between the US Dollar and other currencies increased or decreased by 5%; with all other variables held constant, the increase or decrease respectively in the Fund's net asset value would amount to approximately USD 14,637.

(iii) Interest Rate Risk

Interest Rate risk is the risk that interest rates will change (with strong influence on prices of fixed income instruments and some influence on prices of other instruments).

Interest rate risk is the risk (as a variability in value) borne by an interest-bearing asset, typically a bond, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa. Interest rate risk is commonly measured by the bond's duration. Interest rate risk is a significant constituent of market risk.

There is no significant interest rate risk as the Fund's portfolio only contains equities however the Fund as at 31 December 2012 holds cash of USD 337,717 that exposes the Fund to changes in short term interest rates.

At 31 December 2012, had the interest rate increased or decreased by 5%; with all other variables held constant, the increase or decrease respectively in the Fund's net asset value would amount to approximately USD 16,886.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

Liquidity Risk

Liquidity risk is a risk that the Fund may not be able to meet or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms. The Fund could be deemed to be illiquid if the assets could not be readily disposed in the market, this could also be considered a sub-set of market risk.

The Fund is exposed to daily cash redemptions of redeemable shares. Therefore it invests the majority of its assets in investments that are traded in an active market. The Fund has the ability to borrow in the short term to ensure settlement. The Investment Manager monitors the Fund's liquidity position on a daily basis, focusing on both the requirements for liquidity and that suitable assets are able to meet such requirements.

The Directors may temporarily suspend the calculation of the NAV of the Fund, which will automatically lead to the suspension of redemption rights for Shareholders. In the event that redemption requests with respect to any Redemption Day exceed a threshold amount equal to 10% (or such higher percentage amount as the Directors may determine at their discretion) of the Shares of the Fund as of that redemption day (the "Redemption Gate"), the Board of Directors will have the right to limit redemptions so that they do not exceed such threshold amount.

The table below analyses the Fund's financial liabilities into relevant maturity groupings, based on the remaining period at the Statement of Financial Position date to the contractual maturity date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

Liquidity Risk (Continued)

For the period ended 31 December 2012

Absolute Greater China Classic Fund	Less than 1 month	1-3 months	3-12 months	No Stated Maturity	Total
Administration Fees Payable	17,544	–	–	–	17,544
Amounts due to brokers	113,698	–	–	–	113,698
Audit Fees Payable	16,083	–	–	–	16,083
Custodian Fees Payable	50,217	–	–	–	50,217
Director Fees Payable	9,573	–	–	–	9,573
Investment Manager Fees Payable	29,828	–	–	–	29,828
Performance Fees Payable	302,504	–	–	–	302,504
Transfer Agency Fees Payable	10,042	–	–	–	10,042
Trustee Fees Payable	23,826	–	–	–	23,826
Other Fees Payable	78,984	–	–	–	78,984
Redeemable Participating Shares	28,772,357	–	–	–	28,772,357
Total Financial Liabilities	**29,424,656**	**–**	**–**	**–**	**29,424,656**

Credit Risk

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

The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships, derivatives and other transactions.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

Credit Risk (Continued)

The cash assets are held with the Citibank N.A. Hong Kong (the 'Sub-Custodian'), who is the appointed Sub-Custodian to Citibank International plc Ireland Branch (the 'Custodian'). Cash deposited with the Sub-Custodian is deposited as banker and is held on its Statement of Financial Position. Accordingly, in accordance with usual banking practice, the Sub-Custodian's liability to the Fund in respect of such cash deposits shall be that of debtor and the Fund will rank as a general creditor of the Sub-Custodian. The financial assets are also held with the Sub-Custodian through it's sub-custody network. These assets are held distinct and separately from proprietary assets of the Custodian, Sub-Custodian, it's agents or affiliates. Securities are clearly recorded to ensure they are held on behalf of the Fund. Bankruptcy or insolvency of the Custodian, Sub-Custodian, its agents or affiliates may cause the Fund's rights with respect to the securities held by the Custodian, Sub-Custodian, its agents or affiliates to be delayed.

As at 31 December 2012, Citibank International Plc., Ireland Branch has a credit rating of Baa1 (source: Moody's Ratings) (31 December 2011: A1).

As at 31 December 2012, Citibank N.A. Hong Kong has a credit rating of A3 (source: Moody's Ratings) (31 December 2011: A1).

The Investment Manager closely monitors the creditworthiness of the Fund's counterparties (e.g., brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The following table analyses the Fund's maximum exposure to credit risk, which is the instrument's carrying amount in the financial statements. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements at the reporting date. The effect of the master-netting and collateral agreements is described where applicable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

Credit Risk (Continued)

	As at 31 December 2012 *USD*
Absolute Greater China Classic Fund	
Financial assets at fair value through profit or loss	28,638,056
Cash and cash equivalents	337,717
Amounts due from brokers	296,216
Prepaid expenses	136,348
Total	**29,408,337**

Fair Value Estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

Fair Value Estimation (Continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The following table presents the fair value hierarchy of the Fund's financial assets and liabilities measured at 31 December 2012:

Absolute Greater China Classic Fund

	Level 1 Quoted prices in active markets	**Level 2 Other observable Inputs**	**Level 3 Unobservable Inputs**	**Total**
	USD	*USD*	*USD*	*USD*
31 December 2012				
Financial Assets at Fair Value Through Profit or Loss Held for Trading				
Equities	25,710,435	1,278,507	–	26,988,942
Investment Funds	1,649,114	–	–	1,649,114
Total	**27,359,549**	**1,278,507**	**–**	**28,638,056**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

Fair Value Estimation (Continued)

There was one transfer from level 1 to level 2 during the period. A voluntary suspension was applied by the directors of China Vanke Co Ltd due to a change of listing location of it's domestically listed foreign shares and listing & trading of such shares on Hong Kong Stock Exchange. The trading was resumed on 21 January 2013. Therefore, at 31 December 2012, there was no active market for this security and due to this the security has been classified as a level 2 security.

13. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following are related parties:

- The Investment Manager, Distributor and Promoter, Value Partners Hong Kong Limited
- Mr. Mike Kirby, a Director and managing principal of KB Associates, a firm which provides consultancy services to the Company.
- Ms. Choy, Kit Hung, a Director of Business Process Management and Product Development at Value Partners Hong Kong Limited.

Investment Manager Fees, Directors Fees, Custodian Fees and Administration Fees are disclosed in note 11.

The fees incurred by the Company for the period ended 31 December 2012 to KB Associates for consultancy services amounted to USD 36,309. Fees Payable as at 31 December 2012 are USD 24,229.

No Director held any interest in shares of the Company as at 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. RELATED PARTIES (Continued)

At 31 December 2012, Value Partners Limited, a wholly owned subsidiary of Value Partners Hong Kong Limited (Investment Manager of the Fund), held 1,000,000 units of the Fund.

During the period, Value Partners Limited had subscriptions of USD 10,000,000 and redemptions of USD Nil.

14. EVENTS DURING THE PERIOD

A Prospectus for Value Partners Ireland Fund plc was issued as of 20 April 2012. There were no material changes made to the Prospectus during the period.

On 26 April 2012, Value Partners Absolute Greater China Classic Fund ("the Fund") commenced operations. A supplement to the prospectus for this fund was issued as of 20 April 2012.

An updated Prospectus for Value Partners Ireland Fund plc was issued as of 30 November 2012. In this updated Prospectus, there was an update to the Performance Fee policy. The updated performance fee policy has been included in Note 11.

15. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors noted the issuance by the IFIA of the Corporate Governance Code for Collective Investment Schemes and management companies in December 2011 (the "new code"). The new code became effective from 1 January 2012 with a twelve month transitional period. The Directors adopted the new code from 1 January 2013.

An updated Prospectus for Value Partners Ireland Fund plc was issued as of 6 February 2013, where the name of the Fund was changed from Value Partners Absolute Greater China Classic Fund to Value Partners Classic Equity Fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. NAV RECONCILIATION

	Absolute Greater China Classic Fund 31 December 2012 *USD*
Net Assets Attributable to Redeemable Participating Shareholders (in accordance with the Prospectus)	28,772,357
Adjustment for Preliminary Fees	(16,319)
Net Assets Attributable to Redeemable Participating Shareholders (in accordance with IFRS)	28,756,038

17. COMPARATIVE FIGURES

Comparative figures for the corresponding period are not available as the Fund was launched during the period.

18. FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on 11 April 2013.

SCHEDULE OF INVESTMENTS

Value Partners Absolute Greater China Classic Fund
Schedule of Investments as at 31 December 2012

HOLDING	Quantity	Fair Value USD	% of the Net Assets
Equities – 93.86%			
China – 10.39%			
China Merchants Property Development Co Ltd	53,100	187,307	0.65%
China National Accord Medicines Corp Ltd	178,651	595,836	2.07%
China Vanke Co Ltd	792,744	1,278,507	4.44%
Chongqing Changan Automobile Co Ltd	381,500	214,114	0.74%
Luthai Textile Co Ltd	10,100	9,057	0.03%
Shanghai Jinqiao Export	2,000	1,824	0.01%
Shanghai Lujiazui Finance & Trade Zone Development Co Ltd	2,000	2,512	0.01%
Shanghai Mechanical and Electrical Industry Co Ltd	9,100	9,564	0.03%
Weifu High-Technology Group Co Ltd	21,200	68,600	0.24%
Yantai Changyu Pioneer Wine Co Ltd	105,708	623,009	2.17%
	1,556,103	**2,990,330**	**10.39%**
Hong Kong – 63.44%			
Agile Property Holdings Ltd	306,000	430,337	1.50%
AIA Group Ltd	14,600	56,982	0.20%
Asian Citrus Holdings Ltd	239,000	113,477	0.39%
Bank of China Ltd	1,297,000	578,997	2.01%
Bank of Communications Co Ltd	263,000	198,166	0.69%
Baoxin Auto Group Ltd	176,000	142,377	0.50%
Brilliance China Automotive Holdings Ltd	292,000	359,411	1.25%
China Citic Bank Corp Ltd	529,000	313,960	1.09%
China Communications Services Corp Ltd	480,000	277,447	0.96%
China Machinery Engineering Corp	163,000	133,754	0.47%
China Minsheng Banking Corp Ltd	341,000	394,206	1.37%
China Pacific Insurance Group Co Ltd	34,600	127,897	0.44%
China Pharmaceutical Group Ltd	146,000	42,007	0.15%
China Power International Development Ltd	327,000	103,787	0.36%
China Taiping Insurance Holdings Co Ltd	48,400	98,040	0.34%
China Unicom Hong Kong Ltd	308,000	493,552	1.72%
China ZhengTong Auto Services Holdings Ltd	1,365,000	949,253	3.29%
Chongqing Rural Commercial Bank	158,000	86,434	0.30%

SCHEDULE OF INVESTMENTS (Continued)

HOLDING (Continued)	Quantity	Fair Value USD	% of the Net Assets
Hong Kong – 63.44% (Continued)			
Chow Sang Sang Holdings International Ltd	65,000	150,787	0.52%
CSR Corp Ltd	160,000	139,549	0.49%
Elec & Eltek International Co Ltd	13,000	27,340	0.10%
Far East Horizon Ltd	395,000	318,011	1.11%
Galaxy Entertainment Group Ltd	75,000	293,684	1.02%
GCL-Poly Energy Holdings Ltd	672,000	135,255	0.47%
Guangzhou R&F Properties Co Ltd	119,600	199,059	0.69%
Haitong Securities Co Ltd	390,800	670,605	2.33%
Hopefluent Group Holdings Ltd	1,852,000	635,599	2.21%
Hosa International Ltd	148,000	41,818	0.15%
Huadian Power Intl Corp	702,000	246,358	0.86%
Hutchison Telecommunications Hong Kong Holdings Ltd	322,000	147,899	0.52%
Industrial & Commercial Bank of China Ltd	1,387,000	984,237	3.42%
Kaisa Group Holdings Ltd	575,000	178,049	0.62%
Kingboard Chemical Holdings Ltd	52,000	184,500	0.64%
Kingboard Laminates Holdings Ltd	1,451,000	666,466	2.33%
Labixiaoxin Snacks Group Ltd	589,000	232,540	0.81%
Lenovo Group Ltd	364,000	329,685	1.15%
New China Life Insurance Co Ltd	74,600	283,455	0.99%
Orient Overseas International Ltd	22,000	142,491	0.50%
PetroChina Co Ltd	1,588,000	2,249,640	7.83%
Sany Heavy Equipment International Holdings Co Ltd	800,000	418,028	1.45%
Shanghai Fosun Pharmaceutical Group Co Ltd	78,500	118,702	0.41%
Shanghai Pharmaceuticals Holding Co Ltd	371,300	709,001	2.47%
Shenzhou International Group Holdings Ltd	239,000	539,630	1.88%
Shimao Property Holdings Ltd	148,500	280,114	0.97%
Sihuan Pharmaceutical Holdings Group Ltd	655,000	287,330	1.00%
Sino-Ocean Land Holdings Ltd	454,000	339,152	1.18%
SJM Holdings Ltd	121,000	281,008	0.98%
Springland International Holdings Ltd	306,000	163,054	0.57%
Sunny Optical Technology Group Co Ltd	432,000	282,587	0.98%
Techtronic Industries Co	327,000	605,846	2.10%
Vinda International Holdings Ltd	499,000	682,444	2.37%
Wison Engineering Services	391,000	140,243	0.49%
Yuexiu Real Estate Investment Trust	122,000	57,925	0.20%
Zhengzhou Coal Mining Machinery Group Co Ltd	109,800	140,248	0.49%
Zhongsheng Group Holdings Ltd	21,000	31,755	0.11%
	22,579,700	**18,234,178**	**63.44%**

SCHEDULE OF INVESTMENTS (Continued)

HOLDING (Continued)	Quantity	Fair Value USD	% of the Net Assets
Indonesia – 1.44%			
BW Plantation Tbk PT	491,000	70,306	0.24%
Global Mediacom Tbk PT	516,500	128,621	0.45%
Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	505,500	120,637	0.42%
Salim Ivomas Pratama Tbk PT	793,500	94,684	0.33%
	2,306,500	**414,248**	**1.44%**
Norway – 1.98%			
Yara International ASA	11,598	568,846	1.98%
	11,598	**568,846**	**1.98%**
Philippines – 1.37%			
Alliance Global Group Inc	605,000	246,935	0.86%
GT Capital Holdings Inc	9,720	146,761	0.51%
	614,720	**393,696**	**1.37%**
Singapore – 6.60%			
Bumitama Agri Ltd	605,000	522,384	1.82%
Courts Asia Ltd	255,000	180,525	0.63%
Ezion Holdings Ltd	94,000	130,016	0.45%
First Resources Ltd	61,000	100,847	0.35%
Parkson Retail Asia Ltd	113,000	121,152	0.42%
Thai Beverage PCL	410,000	132,545	0.46%
Tianjin Zhong Xin Pharmaceutical Group Corp Ltd	647,000	452,900	1.57%
Wilmar International Ltd	95,000	259,688	0.90%
	2,280,000	**1,900,057**	**6.60%**
South Korea – 0.85%			
Fila Korea Ltd	1,931	115,437	0.40%
Hyundai Home Shopping Network Corp	354	40,010	0.14%
LOTTE Himart Co Ltd	1,392	89,456	0.31%
	3,677	**244,903**	**0.85%**

SCHEDULE OF INVESTMENTS (Continued)

HOLDING (Continued)	Quantity	Fair Value USD	% of the Net Assets
Taiwan – 6.94%			
Advantech Co Ltd	19,000	80,150	0.28%
Asustek Computer Inc	54,000	607,141	2.10%
China Life Insurance Co Ltd/Taiwan	72,099	65,049	0.23%
Formosa International Hotels Corp	14,000	187,780	0.65%
MPI Corp	49,000	91,286	0.32%
President Chain Store Corp	38,000	203,482	0.71%
Uni-President Enterprises Corp	224,270	411,634	1.43%
WPG Holdings Ltd	190,000	248,628	0.86%
WT Microelectronics Co Ltd	83,000	103,181	0.36%
	743,369	**1,998,331**	**6.94%**
United States – 0.85%			
Spreadtrum Communications Inc	14,100	244,353	0.85%
	14,100	**244,353**	**0.85%**
Total Equities	**30,109,767**	**26,988,942**	**93.86%**
Investment Funds – 5.73%			
Hong Kong – 5.73%			
SPDR Gold Trust	10,250	1,649,114	5.73%
	10,250	**1,649,114**	**5.73%**

SCHEDULE OF INVESTMENTS (Continued)

HOLDING (Continued)	**Quantity**	**Fair Value** *USD*	**% of the Net Assets**
Financial Assets at fair value through Profit or Loss (Cost: USD 26,092,443)	**30,120,017**	**28,638,056**	**99.59%**
Cash and cash equivalents		337,717	1.17%
Net Current Liabilities		(219,735)	(0.76%)
Net Assets Attributable to Redeemable Participating Shareholders (in accordance with IFRS)		**28,756,038**	**100.00%**
Adjustment for Unamortised Preliminary Fees		16,319	
Net Assets Attributable to Redeemable Participating Shareholders (in accordance with the Prospectus)		**28,772,357**	

Analysis of Total Assets:	**% of Total Assets**
a) Transferable securities to official stock exchange listings or a traded regulated market	97.38%
b) Current assets	2.62%
Total Assets	**100.00%**

SIGNIFICANT PORTFOLIO TRANSACTIONS

FOR THE PERIOD ENDED 31 DECEMBER 2012

Largest Purchases	Quantity	Value USD
PetroChina Co Ltd	1,588,000	2,105,830
SPDR Gold Shares	11,930	1,976,854
China Vanke Co Ltd	792,744	1,007,482
China ZhengTong Auto Services Holdings Ltd	1,495,000	973,199
Industrial & Commercial Bank of China Ltd	1,387,000	881,788
Vinda International Holdings Ltd	499,000	729,940
Evergrande Real Estate Group	1,276,000	664,965
Brilliance China Automotive Holdings Ltd	726,000	663,383
Hopefluent Group Holdings Ltd	2,122,000	651,805
Haitong Securities Co Ltd	485,600	631,922
Agile Property Holdings Ltd	482,000	616,749
Shanghai Pharmaceuticals Holding Co Ltd	382,000	611,483
Kingboard Laminates Holdings Ltd	1,451,000	603,809
Yantai Changyu Pioneer Wine Co Ltd	105,708	587,273
Asustek Computer Inc	54,000	584,877
Techtronic Industries Co	391,500	579,366
Yara International ASA	11,598	571,475
China Unicom (Hong Kong) Ltd	346,000	552,373
Bank of China Ltd	1,297,000	530,320
China National Accord Medicines Corp Ltd	178,651	501,579

Largest Sales	Quantity	Value USD
Evergrande Real Estate Group	1,276,000	593,023
Brilliance China Automotive Holdings Ltd	434,000	438,936
Cheung Kong Holdings Ltd	23,000	324,073
China Resources Land Ltd	118,000	315,785
Kwg Property Holding Ltd	442,000	285,468
Spdr Gold Shares	1,680	283,322
Yanlord Land Group Ltd	285,000	280,291
Baoxin Auto Group Ltd	362,000	279,313
Citic Securities Co Ltd	116,500	258,984
China Shenhua Energy Co	63,000	250,020
Dongfeng Motor Grp Co Ltd	156,000	243,346
China Petroleum & Chemical	222,000	236,271
Wumart Stores Inc	111,000	231,544
Delta Electronics Inc	62,000	227,641
Xtep International Holdings	521,000	213,222
Agile Property Holdings Ltd	176,000	207,972
China Taiping Insurance Holdings Co Ltd	120,800	207,323
Digital China Holdings Ltd	119,000	203,116
China Mobile Ltd	18,500	199,766
Astro Malaysia Holdings	197,100	191,568

ON-GOING CHARGES

Outlined below are the on-going charges for the period ended 31 December 2012:

On-Going Charge %

	On-going charge
Absolute Greater China Classic Fund	
US Dollar Class (Accumulating Non Hedged)	2.58%

Portfolio Turnover Ratios

Outlined below are portfolio turnover rates for the period ended 31 December 2012:

Portfolio Turnover Rate %

	PTR
Absolute Greater China Classic Fund	
US Dollar Class (Accumulating Non Hedged)	109.41%

Performance Figures

Outlined below are the performance figures since inception to the period ended 31 December 2012:

Performance %

Absolute Greater China Classic Fund	10.50%